Weekend FT

Inside Section II
20 pages

Capitalism comes to Poland
In Warsaw, wallets are empty as Poles suffer the birth pangs of new-fangled capitalism and prepare to welcome the arrival of foreign corporations. James Morgan reports Page I

Rooms with a view
Lucia van der Post says that would-be conservatory owners are spoilt for choice Page VIII

Interest rates
Finance & the Family writers look at the effect of the base rate cuts on mortgages Page III

Swiss stroll
Tim Burt takes a walk on the seamy side through Zurich's needle park Page XV

Steel service
John Barrett looks at attempts to toughen young British tennis players Page XIII

EUROPE'S BUSINESS NEWSPAPER

FINANCIAL TIMES

FT No. 31,427

Weekend April 13/April 14 1991

D 8523A

WORLD NEWS

German deal aims to help east economy

Germany's government and opposition are to pool their efforts to solve east Germany's growing economic problems.

Under a deal agreed yesterday, two joint commissions will be set up – but both sides denied any move towards a "grand coalition." Saxony's Christian Democrat premier Kurt Biedenkopf said huge amounts would need to be transferred from west to east for a decade – DM170bn (£56.8bn) of it next year alone. Page 22

Kurds allege attacks
Kurdish guerrillas in Iraq said they repulsed Iraqi forces near the town of Sulamaniya and claimed that Iraqi artillery was continuing to pound Kurdish refugee concentrations. Conditions are worsening for the flood of Kurdish refugees reaching Iran and Turkey. Page 2

Italian oil spill
Italy said oil leaking from a supertanker which exploded posed the Mediterranean's worst ecological disaster threat. The Cypriot-registered tanker, carrying 143,000 tonnes of crude, is sinking off Genoa. Two died in the blast and three are missing. Page 3

Lonrho litigation
Lonrho's latest attempt to sue the Al Fayed brothers over the 1984 Harrods takeover was rejected as "bogus" and "silly". High Court judge Mr Justice Millet ordered the action to be struck out. Page 5

School sex abuse move
Measures to stamp out child sex abuse in private schools will be introduced soon, the Department of Education said. The pledge came after headmaster Ralph Morris, 47, was jailed for 12 years for abusing eight boys while he ran a private school in Shropshire.

Chinese president ill
China's 84-year-old president Yang Shangkun is ill with a cold, the official news agency said. It made no mention of reports that the president was in hospital.

Macari sent for trial
Football manager Lou Macari and three other ex-officials of Swindon Town FC were committed for trial on income tax fraud charges.

Greek trial halted
The embezzlement trial of former Greek premier Andreas Papandreou was adjourned because his co-defendant is critically ill. Agamemnon Koutsoyorgas, ex-deputy premier, collapsed in court on Thursday.

Racism summons
Bill Galbraith, the Cheltenham man alleged to have made racist comments about the Gloucestershire town's black parliamentary candidate, is being charged with incitement to cause racial hatred.

Parliamentary fist fight
The speaker of Taiwan's parliament was knocked to the ground in a free-for-all which put an opposition deputy in hospital. Members of a small opposition party were protesting against government plans for democratic reform.

Brides at a premium
At least 23 per cent of South Korean men may not be able to find a bride by the year 2010, says the country's economic planning board. There will be almost 2m men aged 25 to 29 but barely 1.5m women between 20 and 24.

BUSINESS SUMMARY

First-quarter earnings drop 50% at IBM

IBM, the world's largest computer maker, saw first-quarter net earnings drop 50 per cent to $500m (£281.3m). After a special charge for the adoption of new accounting rules, losses per share were $3.03.

The group blamed the worldwide recession, but said it was "in an excellent position to take advantage of any economic improvement". Page 10

EUROPEAN COMMISSION imposed strict conditions on the merger between telecommunications equipment producers Alcatel, part of Alcatel-Alsthom of France, and Telettra, a subsidiary of Fiat of Italy. Page 22

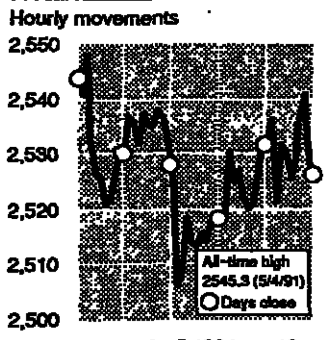
BRITISH TELECOM: The government may pay banks and building societies much larger commissions than in past privatisations to sell shares to the public when it floats part of its 48.6 per cent stake in the telecoms company. Page 22

BT and Mercury customers are to be compensated if they were over-charged VAT on phone bills following the VAT rate increase to 17.5 per cent, after complaints to Oftel, the industry regulator.

LONDON STOCKS were not stimulated by the cut in base rates and the fall in inflation. Trading volume fell sharply this week as investors became increasingly cautious following the FT-SE rise to a new peak at the end of last week. The FT-SE index closed down 5.5 points at 2,526.1, a loss of 19.2 on the week. London stocks, Page 13; Greeted with a yawn, Weekend FT, Page II

FT-SE 100 Index

Hourly movements



TITAGHUR: The chairman of the UK jute manufacturing company saw a case of insider dealing and other criminal charges against him and two other men dismissed. The Crown Prosecution Service was ordered to pay about £500,000 defence costs by the judge who called the "catalogue of omissions" in the case "appalling". Page 5

TOSHIBA CORPORATION, Japanese electronics company, will jointly develop and market home appliances with General Electric Company of the US. They are establishing two joint venture companies. Page 10

ADT, troubled Bermuda-based security system and car auction group, changed its dividend policy to force on shareholders a fixed cash dividend. Page 8

ITV: Bids for commercial television licences will have to be reworked and are likely to be much higher after the government admitted it made a mistake ranking them as capital expenditure which could not be claimed against corporation tax. Page 4

ABTA will scrutinise the business practices of member travel agents more closely to decide what level of bonding each requires. Page 4

Base rates cut by half a point

Cost of mortgages will fall before May 2 elections

By Peter Norman, David Barchard and Andrew Taylor

THE British government yesterday authorised the fourth half-point cut in UK banks' base lending rates in two months, triggering widespread mortgage rate reductions in time for the May 2 local elections.

The signal for banks to reduce their base rates to 12 per cent from 12.5 per cent came in the Bank of England's early money market operations. Shortly afterwards came news of a sharp fall last month in retail price inflation to 8.2 per cent.

After the rate cuts were announced there were clear indications that the Bank of England and the Treasury were anxious to slow the pace of interest rate declines. Yesterday's move was widely expected and there was little sign that financial markets were anticipating any further rate cut in the short term.

The cut was welcomed by business but the Confederation of British Industry and other groups called for a further easing of borrowing costs to help Britain out of recession.

Bank base rates have now fallen 3 percentage points from 15 per cent since Britain joined the exchange rate mechanism of the European Monetary System in October. However, sterling gained against both the dollar and D-mark yesterday, to close well above its DM2.95 EMS central rate at DM2.995.

Equities ended the day slightly lower after fairly narrow movements in active trading. In spite of the rate cut and a strong performance by Wall Street shares on Thursday night, the FT-SE 100 share index closed at 2,526.1, down 5.5 points.

Homeowners will benefit from yesterday's move. Building societies and banks, which had held back from cutting their borrowing costs when base rates were last trimmed shortly after the Budget, responded quickly. Mortgage interest rates immediately began moving down from the prevailing market rate of 13.75 per cent, set in early March.

The Halifax Building Society, by far the largest UK mortgage lender with 1.7m borrowers, said it would reduce its mortgage interest rate from the present 13.75 per cent on May 1 but its new rate would not be announced until next week.

Abbey National, the second largest lender of home loans, cut its mortgage interest rates by one percentage point to an average of 12.85 per cent from early May. It said the move was its biggest single interest rate cut for four years.

Barclays, one of the "big four" clearing banks, said it would be cutting its rate from the present 13.75 per cent next week, while Household Mortgage Corporation, a leading centralised lender, said it would cut its 13.95 per cent mortgage interest rate by at least one percentage point next week.

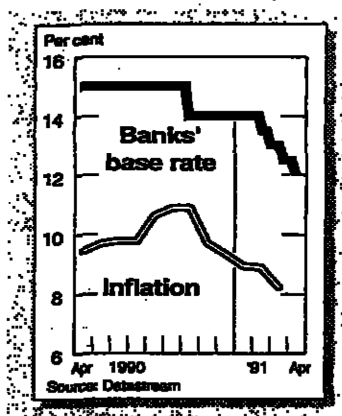
The cut in interest rates was welcomed by housebuilders which recently have seen a slight improvement in sales. Laing Homes said it had sold more homes last week than in any week during the last two years.

However, Sir Clifford Chetwood, chairman of Wimpey Britain's second largest housebuilder, said further interest rate cuts were required to speed a recovery and encourage more people to buy houses.

Mr John Banham, Director General of the CBI, urged further rate cuts as UK inflation fell. "Competitive interest rates are needed both to boost business confidence and to encourage the capital investment needed to expand manufacturing capacity and close the trade gap," he said.

While the futures market was yesterday anticipating a Continued on Page 22

Editorial comment, Page 6
Last cut for some time, Page 7
Currencies, Page 11
London stocks, Page 13
World stocks, Page 19
Lamont speech, Page 22
Finance and the Family, Weekend FT, Page III



ABBEY NATIONAL
1 point off loans under £60,000 from 13.85% from early May. 0.95 point cut on other loans

ALLIANCE & LEICESTER
At least 0.75 point cut from 13.75% to be announced next week

HALIFAX
Will cut to "around the level" of Abbey National and Nationwide. Currently 13.75%

LEEDS PERMANENT
Between 0.75 and 1 point cut from 13.75% to be announced next week

NATIONWIDE
0.95 point cut from May 17: loans under £60,000 to 12.95%; under £120,000 to 12.45%; above £120,000 to 11.95%

WOOLWICH EQUITABLE
At least 0.75 point to be cut from 13.75%

HOUSEHOLD MORTGAGE CORPORATION
At least 1 point to be cut from current rate of 13.95%

Special factors aid inflation fall

By Rachel Johnson, Economics Staff

INFLATION in the UK dropped steeply last month but the fall was largely the result of one-off factors.

The Central Statistical Office announced yesterday that the retail prices index rose at an annual rate of 8.2 per cent in March, after 8.9 per cent in February.

Mr John Major, the prime minister, said the government had got inflation "by the throat" but the Treasury acknowledged that much of the fall in the annual rate was due to special factors.

A bank base rate cut preceded the inflation release for the second month running.

In the US, an equally cheering and unexpected fall in the consumer price index was not encouraging enough for the Federal Reserve to signal an easing in borrowing costs.

The Labour Department said the consumer price index fell – for the first time in five years – to a seasonally-adjusted 0.1 per cent in March, reducing the annual rate of inflation to 4.9 per cent compared with 5.3 per cent in February.

The main factor in limiting the 0.4 per cent rise in UK inflation between February and March was a mortgage interest rate increase from last year dropping out of the index. This alone caused the year-on-year rate to fall by 0.42 percentage points. Otherwise, the all-items index benefited from a steadying in seasonal food prices and a sharp fall in the price of domestic heating oil.

Although core inflation has also started to decelerate, its slow pace is causing concern both in the City and at the Treasury.

The underlying rate, which strips out mortgage interest payments and the community charge, fell to 7.3 per cent, after 7.5 per cent in February.

However, the Treasury warned yesterday that the underlying rate would not follow the downwards fall of the RPI. "The key point is that the underlying rate is taking longer to come down, and is moving steadily at best," it said.

The Treasury predicts a "very steep" decline of 2 percentage points in the RPI next month, which will be the first to reflect the Budget measures which came into effect from April 1.

The rise in VAT to 17 per cent, announced in the Budget, is likely to propel the underlying rate towards 9 per cent, even though the RPI is predicted to fall to about 6 per cent as a consequence of mortgage and poll tax effects.

The April index will lose 1.3 percentage points as the effect of the switch to the poll tax in April 1990 is lost, and a further 1.3 percentage points as a result of the £140 cut in poll tax bills revealed in the Budget.

Mr Christopher Johnson, economic adviser to Lloyds Bank, predicted that employers would try to delay settlements until mid-May, when the RPI is next published.

The general index of retail prices in March was 131.4 (January 1987=100) after 130.9 in February.

US consumer prices, Page 3
Inflation fall, Page 4

Nato military chiefs agree to European rapid reaction force

By David Buchan in Brussels

NATO military chiefs yesterday agreed to set up a large European-manned rapid deployment force to respond to the changing defence needs of the post-Cold War era.

General Vigleik Eide, the Norwegian chairman of the Nato Military Committee, said that a two-day conference of chiefs of staff from 15 Nato nations had agreed on the broad thrust of restructuring proposals to put to Nato defence ministers next month.

Announcement of the rapid reaction corps is the first concrete element to emerge from Nato's overhaul of its strategy in the aftermath of the effective dissolution of the Warsaw Pact.

The review, which is due to conclude with a summit of alliance leaders this autumn, is expected to cut overall Nato forces by half, with US troop numbers in Europe falling in line with arms control agreements with Moscow to about 100,000 from 300,000.

Gen Eide said overall Nato forces would be reduced but would be made more flexible. Nato rapid reaction forces would be increased to "a corps-sized formation". Nato officials said he was being deliberately vague – army corps can range from 30,000 to 100,000 men – because no details had been worked out.

At present, Nato's quick reaction arm is restricted to the Allied Mobile force, composed of several dozen not very modern German, Italian and Belgian aircraft which were sent to south east Turkey during the Gulf war, and of a 5,000-strong mixed nationality division under German command.

If, as seems likely, the new expanded force remains comprised of Europeans (with American air support), Nato officials said it could serve as the nucleus of a rapid reaction force operating under the Western European Union (WEU) defence organisation.

Mr Willem Van Eekelen, the WEU secretary general, has been canvassing the idea of "double hatting" European forces in Nato. This would involve them acting as WEU forces in situations into which Nato or the US felt unable, or unwilling, to step. When wearing a "WEU hat" the force would not be confined to alliance territory.

The military chiefs, who included General Colin Powell, the overall US commander, also agreed to expand Nato's naval patrols.

US bases to close, Page 3

MARKETS

STERLING
New York lunchtime:
$1.77135
London:
$1.7775 (1.7905)
DM2.995 (2.9925)
FFr10.115 (10.1175)
SFr2.5375 (2.5275)
Y242.25 (243.25)
£ index 93.0 (93.3)

GOLD
New York: Comex Jun
$362.7 (364.8)
London:
$360.75 (362.15)

N SEA OIL (Argus)
Brent
$19.125 (+0.125)

Chief price changes yesterday: Page 22

DOLLAR
New York lunchtime:
DM1.68855
FFr5.7035
SFr1.43
Y136.27
London:
DM1.6845 (1.6715)
FFr5.69 (5.65)
SFr1.4275 (1.4115)
Y136.25 (135.9)
$ index 64.8 (64.6)
Tokyo close: Y135.85

US LUNCHTIME RATES
Fed Funds $5\frac{1}{8}$%
3-mo Treasury Bills:
yield: 5.67%
Long Bond:
$96\frac{3}{16}$
yield: 8.2%

STOCK INDICES
FT-SE 100:
2,526.1 (−5.5)
FT Ordinary:
1,997.5 (−4.7)
FT-A All-Share:
1,222.89 (−0.1%)
New York lunchtime:
DJ Ind. Av.
2,905.94 (+0.49)
S&P Comp
378.4 (+0.77)
Tokyo: Nikkei
26,582.5 (+157.31)

LONDON MONEY
3-month interbank:
closing $11\frac{7}{8}$% ($11\frac{15}{16}$)
Liffe long gilt future:
Jun $92\frac{9}{32}$ (93)

CONTENTS

UK Stock Market Report 0836 430001; FOREX 0836 430003; Bullion 0836 430005; UK Company News 0836 430002. Calls charged at 34p/minute cheap rate, 45p/minute at all other times. To obtain a free Cityline Share or Unit Trust directory, ring (071)-925-2128.

Austria Sch30; Bahrain Din0.900; Bermuda $1.50; Belgium BFr60; Canada C$1.00; Cyprus C£1.00; Denmark DKr13.00; Egypt E£3.50; Finland Fmk8.50; France FFr7.50; Germany DM3.00; Greece Dr200; Hong Kong HK$14; Hungary Ft148; Iceland IKR180; India Rup20; Indonesia Rp3,100; Ireland I£0.80; Israel NS4.50; Italy L2200; Japan Y500; Jordan JD1.20; Korea Won 2000; Kuwait Fils.500; Lebanon £L1000; Luxembourg LFr60; Malaysia Rin4.80; Malta 45c; Mexico Pes300; Morocco Dh15.00; Nigeria Naira15.00; Netherlands Fl3.50; Norway Nkr13.00; Oman OR1.20; Pakistan Rs35; Philippines Pso 40; Poland Zl 11000; Portugal Esc165; Qatar QR10.00; S.Arabia Rls8.00; Singapore S$4.10; Spain Pta175; Sri Lanka Rup30; Sweden SKr13.00; Switzerland SFr2.70; Taiwan NT$85; Thailand Bht50; Tunisia Din0.800; Turkey L3000; UAE Dh8.00; USA $1.00.

INTERNATIONAL NEWS

Japan ready to send minehunters to the Gulf

By Stefan Wagstyl in Tokyo

JAPAN is considering sending minesweepers to the Gulf, breaking its post-war ban on despatching military personnel on active service overseas.

Leaders of the ruling Liberal Democratic Party back the plan even though it will provoke intense opposition from those who believe the country's constitution makes it unlawful to send even minesweepers to foreign waters.

The government has twice before considered sending minesweepers to the Gulf – in 1987 and again late last year when the proposal was dropped after fierce opposition. Critics said Japanese ships might get drawn into the conflict and so infringe the constitutional ban on overseas military combat.

This time, the centrist Komei party has already voiced its opposition. But the LDP and the government seem determined to act now there is no risk of getting caught up in the fighting.

Yesterday, Mr Taro Nakayama, the foreign minister, and Mr Ryutaro Hashimoto, the finance minister, both spoke in support of the plan. The government is expected to wait until after local elections on April 21 before making a final decision.

The government is acting in response to discreet pressure from Washington, which wants to see Japan play a more active role in international affairs, including in the Middle East. The Bush administration believes sending minesweepers could help Japan dispel some of the criticism it engendered in the US when it failed to despatch personnel to the Middle East during the Kuwait crisis. Saudi Arabia has formally asked for Japan's help and Kuwait is expected to do so soon.

Japanese businessmen, led by oil industry representatives and Mr Gaishi Hiraiwa, chairman of Kiedanren, the powerful employers' federation, have also urged the government to make the Gulf safe for Japanese shipping. The Foreign Ministry said yesterday it was vitally important for the sea lane to be cleared.

Baker fails to win Syrian support for regional talks

By William Dullforce in Geneva

MR James Baker, the US secretary of state, has failed to win support from Syria for a limited "regional" peace conference on the Middle East, rather than a full international conference.

Speaking in Geneva as he returned to Washington from his Middle East peace mission, he said: "We cannot and should not let form dominate substance. The adjective you put before the word conference is not anywhere near as important as whether the parties really want to sit down and hold negotiations for peace."

His comments followed talks with President Hafez al-Assad in Damascus at the end of a Middle East tour which took him to Ankara, to the Turkish border where Kurdish refugees are massed, and to Jerusalem and Cairo.

Mr Baker has been trying to organise a "regional" meeting of Arab and Israeli leaders chaired by the US and with a Soviet presence. The idea has been accepted in principle by Israel and cautiously supported by Egypt and Saudi Arabia. But Syria and other hardline Arab states are holding out for a full international Middle East peace conference under United Nations auspices, which would include the Palestinians.

The main item of the agenda of an international conference would be the UN resolutions calling for Israeli withdrawal from occupied Arab territory.

After talking with President Assad until late into the night, Mr Baker said in Damascus yesterday morning that the US and Syria agreed a "window of opportunity" for Arab-Israeli peace had opened after the Gulf war. However, Syrian foreign minister Farouq al-Shara said his country still wanted the UN to play a significant role.

Nobody from outside could impose peace in the Middle East, Mr Baker said in Geneva. Peace depended on whether there was a true desire for real reconciliation between the parties in conflict.

During a stopover in Geneva Mr Baker met Mr Taher al-Masri, the Jordanian foreign minister, Mr Shimon Peres, the Israeli opposition leader, and the heads of the UN agencies which are organising relief for Kurdish refugees. Talks were also scheduled with the European Community's "troika", the foreign ministers of Luxembourg, the Netherlands and Italy.

The meeting with Mr al-Masri was seen as a sign of rehabilitation for Jordan after its support for Iraq during the Gulf war. But the idea that Jordan could play a role in a Middle East peace conference has also been mooted, notably in France and Germany, which King Hussein has visited since the end of the war.

Palestinian representation at a peace conference in a joint delegation with Jordan has frequently been proposed as a way of circumventing Israel's refusal to sit down at the table with the Palestinian Liberation Organisation.

After talks with Prince Sadruddin Aga Khan, newly appointed to head the UN Kurdish relief effort, Mr Baker said a massive international effort to save lives was needed "without regard to where people are." In the longer term the conditions within Iraq had to be created that would awake the Kurds' desire to return home.

Bush faces renewed pressure over Kurds

By Our Middle East Staff

PRESSURE on President George Bush over his handling of the post-war Gulf crisis intensified yesterday. Kurdish guerrillas claimed new attacks by Iraqi forces, the conditions of refugees in the mountains deteriorated and President Hashemi Rafsanjani of Iran accused Washington of responsibility for the turmoil in Iraq.

Kurdish guerrillas said Iraqi forces had used helicopters, tanks and heavy artillery in an attack early yesterday near the town of Sulamaniya. They said the attack had been repulsed but alleged that artillery was still pounding concentrations of refugees. President Bush has warned Baghdad not to interfere with international relief efforts and specifically warned against the use aircraft or armour above the 36th parallel. Yesterday's reported fighting was outside that zone.

Relief workers said yesterday that supplies getting through to the refugees on the Iraq-Turkey border were still inadequate, while Iran accused the west of ignoring the fate of over 1m people who had crossed into its territory. However Tehran has given permission for US aircraft to deliver relief supplies, according to a Red Cross official in Geneva.

President Rafsanjani admitted that Iran had ignored the UN embargo on trading with Iraq, except for weapons. He said Iran had been supplying food and other items before the Gulf conflict started but denied having sent in troops to help Shia rebels in their struggle against Baghdad. "There are now more than 1m refugees in Iran. The scale of the crisis is unprecedented. How can such scenes not break the hearts of the west, Rafsanjani asked.

Turkey confirmed that the US planned to set up refugee camps inside northern Iraq. "The US in accordance with UN resolution 688 and within the framework of the Turkish government's permission, will start a large-scale operation to help Iraqis massed on the Turkish-Iraqi border," the Foreign Ministry said.

It envisages setting up temporary settlements in border regions and northern Iraq.

Mr John Major, the British prime minister, defended his plan for UN-protected zones inside Iraq and called an urgent meeting with Britain's aid agencies to discuss relief for Kurdish and other Iraqi refugees.

Mr Major said the meeting, which he hoped would take place on Monday, was to co-ordinate British relief efforts.

The prime minister, stung by criticism that his government failed to react quickly enough to help the refugees, again defended his controversial plan to create refugee havens inside Iraq where they would be safe from attack.

"What is necessary is to provide an area in which the Kurds can be fed and are safe," Mr Major said.

Kurds reach out for bread at the sprawling Isikveren camp. After days of rain, only small tractors and trailers can reach the camp

Hurd warns Iraq not to impede relief efforts

By Robert Mauthner, Diplomatic Correspondent

MR Douglas Hurd, the British foreign secretary, warned last night that if the Iraqis sought to obstruct the delivery of aid to Kurdish refugees or attack United Nations officials, Britain and its allies would respond firmly.

"Iraq cannot be allowed to impede humanitarian relief," Mr Hurd told a Conservative Party dinner in Crawley.

Mr Hurd stressed that Britain's initiative to set up "safe havens" for Kurdish refugees in the north of Iraq was a humanitarian, not a political initiative. It did not seek to set up a state within a state or to partition Iraq. "Our approach is concerned with people rather than territory. Safe havens do not have to be precisely defined by boundaries. "...We want to ensure that refugees can return to their homes in safety; that their safety can be maintained and monitored and that humanitarian relief can be got to them. This is foreshadowed in Resolution 688 (of the UN Security Council), which demands humanitarian access for all UN agencies in the region."

Mr Hurd said Iraq could not be admitted to "the full community of nations" whilst she has "a barbarous regime – aggressive abroad and brutally repressive at home."

The lifting of sanctions once all the requirements of the ceasefire had been carried out was far from automatic. The sanctions would be periodically reviewed by the UN Security Council and the behaviour of the Iraqi regime would determine its decisions. The arms embargo would remain in force "for the foreseeable future."

Israel defies US and starts new settlement

By Hugh Carnegy in Jerusalem

ISRAELI settlers have begun building a government-sanctioned settlement in the occupied West Bank in defiance of the US. Washington says new settlements damage its efforts to promote a Middle East peace agreement.

Revavah, east of Tel Aviv, is the first Jewish settlement to be founded in the West Bank for nearly two years – although expansion of dozens of existing settlements has continued. The number of Jewish settlers in the West Bank rose by about 10 per cent last year to around 90,000.

Kashmir threat

A tape sent to an Indian newspaper warned yesterday that two Swedes kidnapped by Moslem militants in Kashmir last month would be killed unless their demand was met for an international inquiry into human rights abuses by Indian forces in the state, writes David Housego in New Delhi.

Dissident freed

The Kenya government yesterday released a prominent campaigner for multi-party politics who had been held for nine months without trial, writes Julian Ozanne in Nairobi.

Mr Charles Rubia was arrested days before pro-democracy riots erupted.

Mandela visit

Mr Nelson Mandela will meet British prime minister John Major on April 24 during a trip to Britain, the African National Congress announced yesterday, AP reports from Johannesburg.

Seoul to cut tariffs

South Korea will temporarily reduce tariffs on 1,006 items relating to high technology and defence industries next week to improve manufacturing competitiveness, Reuter reports from Seoul.

The government will reduce tariffs averaging 13 per cent, to 5.2 per cent. They will return to 13 per cent after three years.

Pentagon to close 43 US military bases

By Nancy Dunne in Washington

THE Pentagon yesterday issued a list of 43 US military bases which it intends to close as part of the planned 25 per cent reduction in the 2m-strong US armed forces over the next six years.

The US will also reduce personnel at, or close completely, 32 additional bases in Europe and the UK in its programme for a smaller post-Cold War military.

The reduction will save an estimated $850m from the US budget between fiscal 1992 and fiscal 1997.

Base closures are always political hot potatoes, and this one is no exception. The installations are the economic backbone of many of their communities, and congressmen, who represent districts with bases scheduled for closure, are expected to defend their turf.

Congress, which has the final say on the closures, finds it particularly difficult to act in times of rising unemployment. A proposed list, presented last year, drew cries of outrage and accusations that the cuts had been scheduled in mostly Democratic districts.

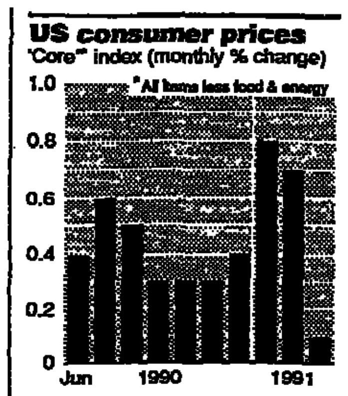
Yesterday brought similar protests. Congressman Joe Mokley, a Massachusetts Democrat, said: "I don't know what those people are thinking about but it almost looks as if the Democratic strongholds have been hit the worst."

Among those targeted for domestic closure are 31 major installations including Fort Dix, New Jersey; Fort McClellan, Alabama; Fort Ord, California; Naval Station Long Beach, California; and the Philadelphia Naval Shipyard in Pennsylvania. In addition to the 43 closures, another 28 bases will be restructured.

Mr Richard Cheney, the US Defence Secretary, said yesterday the list was compiled after a review by each service secretary. "Smaller forces need fewer bases. It's as simple as that."

To give individual congressmen some protection from angry constituents, a complex system of approval has been established. The Pentagon's list will be passed to an eight-member independent commission. It can either accept or amend the recommendations before forwarding them to President Bush on July 1.

The President has 15 days to decide on acceptance or rejection before sending the plans to Congress for approval.



Consumer prices fall for first time in 5 years

US consumer prices fell last month for the first time in five years, but the Federal Reserve did not take the opportunity to signal a further easing of monetary policy, Michael Prowse reports from Washington.

The Labour Department said the consumer price index fell 0.1 per cent after seasonal adjustment, reducing the annual rate of inflation to 4.9 per cent compared with 5.3 per cent in February.

The figures, which were considerably better than expected, prompted a half point rise in bond prices in early trading on Wall Street. Analysts were particularly cheered by a drop in the underlying rate of inflation.

The "core" consumer price index - which excludes food and energy prices - rose by only 0.1 per cent, a big improvement following increases of 0.8 per cent and 0.7 per cent in January and February.

Speculation about an interest rate cut has raged since last week when a big rise in unemployment indicated that the economy was still firmly in recession. On Thursday, the Commerce Department reported a fall in retail sales in March, which suggested the rebound in confidence after the Gulf war was not being translated into purchases.

But the Fed is thought to have delayed action in recent days because of disagreement within its policy-making committee. Some members were concerned that inflation was still not sufficiently subdued.

Yesterday's fall in consumer prices - which followed news of the fourth successive monthly drop in wholesale prices earlier in the week - should help allay those fears. The big increases in the core consumer price index in January and February probably reflected special factors.

The Fed, however, may want more time to digest recent statistics and assess economic trends.

Pollution spending to rise by 50%

By John Hunt in Rotterdam

WORLDWIDE spending by industry on improving its environmental performance is likely to rise by 50 per cent over the next ten years, the world conference on environmental management was told in Rotterdam yesterday.

This would mean total company spending for this purpose would rise by a further $20bn from the current estimate of $40bn. The increase would be from 2.1 per cent of revenues to 3.3 per cent. The findings were given in a poll by McKinsey, the consultants, at the end of the conference, organised by the International Chamber of Commerce (ICC). The results were based on responses from 173 heads of leading companies and business organisations at the conference.

Over half felt a 50 per cent reduction in polluting emissions by the year 2000 was a realistic target for their companies. Some 45 per cent expected resulting cost increases to be covered by price increases.

The conference was attended by 700 heads of companies and business organisations. Earlier 200 of them signed a charter committing themselves to clean environmental practices.

In a final declaration yesterday, the ICC said it would explore with the United Nations Environment Programme (UNEP) the possibility of regularly assessing progress companies are making towards achieving the goals of the charter. The ICC will also discuss with governments an international programme for improved energy efficiency. Financial help would probably be sought.

● Aracruz Cellulose, a Brazilian paper and pulp producer, was ommitted from the list in the FT on April 11 of companies outside Europe and North America which signed the green charter at the Rotterdam conference.

Few crumbs of comfort for Georgia

The nationalist tussle with Moscow could end in uneasy stalemate, writes **John Lloyd**

MR Zviad Gamsakhurdia, president of Soviet Georgia, has led his republic into a declaration of independence which cannot be implemented and is now trying to push it into a general strike which can only further ruin the economy.

He has been in part responsible for a deterioration in relations between Georgians and Ossetians in the region of South Ossetia, in the north of the republic, where civil strife rages round the embattled capital of Tskhinvali with ever increasing intensity.

He has made various threats to civil liberties, including a threat to strip Georgian citizenship from all who voted against independence in the March 31 referendum.

But Mr Gamsakhurdia is perhaps the most popular man, within the boundaries he wants to hold, of any of the new generation of Soviet republican leaders – including Russia's Boris Yeltsin.

He won huge support in the referendum. He has managed to transfer to himself the loyalty of nearly all institutions – including the KGB – which were part of Soviet rule. His chacterisation of the Ossetians as "tools of the Kremlin" is widely shared, even by some Ossetians. He capped it all by declaring full independence of his republic last Monday.

He confronts increasingly confidently a Soviet president who lacks all that he has: popularity, mass support and dynamism. But the complexities of Georgian politics are such that Mr Gamsakhurdia's attempt to be free from the Soviet Union in one bound could end, not in a dignified exit from the Soviet Union and access to Europe but in stalemate and bloodshed.

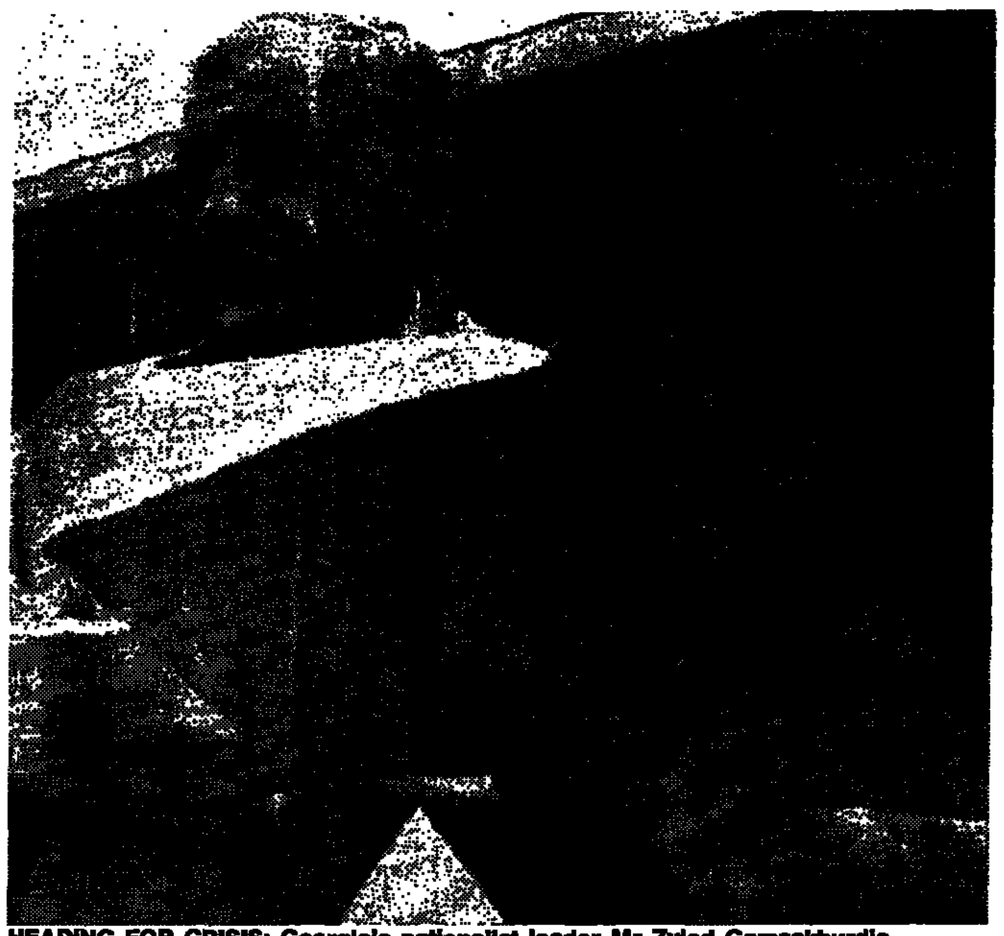
The republic of Georgia had state independence for three turbulent years – from 1918, when the Bolshevik government met its promise to give independence to all nations that wanted it, until 1921, when, pushed by Stalin, a Georgian the government reneged on its promise and invaded to support "a spontaneous uprising of workers".

The subsequent 70 years have been represented, most of all by Mr Gamsakhurdia, as a nightmare of suppression and Sovietisation. It was. But the nation was also given its modern, largely urban, identity. The Georgian language was encouraged, culture (appropriately Sovietised) was promoted and a kind of accommodation was achieved between nationalism and communism, with the latter, of course, always holding the best cards.

Of particular concern today is that the Soviet nationalities policy, both by design and accident, ensured that Georgia's Abkhazians, Ajarians and South Ossetians were also given a Soviet/national culture which tended to bind them more strongly to Soviet authorities than to Georgian ones.

Thus as the Gamsakhurdia-led nationalist forces grew stronger in the late 80s, all these peoples felt themselves under pressure. Riots in Abkhazia erupted in 1989, and immediately after last November's election of Mr Gamsakhurdia's nationalist bloc the South Ossetians unilaterally upgraded their autonomous region to the status of an autonomous republic – directly emphasising its connections with the Soviet, not Georgian, state.

The next day, Mr Gamsakhurdia abolished not just its new republican status, but its former regional autonomy as well. From then on, the region became, in his words, the "so called region of South Ossetia."


HEADING FOR CRISIS: Georgia's nationalist leader Mr Zviad Gamsakhurdia

The two sides are inadequately kept apart by Soviet internal ministry troops. Mr Gamsakhurdia now demands, as it is the main aim of the strike, that they be withdrawn, so that peacekeeping can be left to Georgia's militia. The Supreme Soviet in Moscow has pressed President Mikhail Gorbachev to declare a state of emergency in the region, something he has held back from, no doubt fearing it would make matters worse. Mr Gorbachev is largely hoping that something will turn up.

The Ossetian issue dominates all others in the republic's politics. Mr Gamsakhurdia and his ministers, their offices full of restless squads of young men, do not govern but issue statements and decrees. It is tense, chaotic and inefficient.

Yet he has succeeded in expressing the Georgian national spirit. Too much of it is vengeful, authoritarian and based on personality. Yet, for all that, the large minorities of Armenians, Azeris, Russians and Jews seem to have voted as solidly for independence as their Georgian neighbours.

If Mr Gamsakhurdia gets his way, the Georgian question will land in the over-full in-tray of the West, besieged by pleas for support both political and economic. Earlier this week, he wrote to his fellow president, Mr George Bush, asking him to put pressure on the Soviet president and send observers to South Ossetia. If, so far, the West has been nervous of showing too much support for the Baltics (whose incorporation into the Soviet Union most never recognised – unlike that of Georgia), how much more wary are they now of the Caucasian whirlpool?

At the moment, this rigid, cautious and suspicious man, whose past life was a history of opposition, surveillance and imprisonment, can expect no more than crumbs from the Western table.

Norway to reform ailing tax system

By Karen Fossli in Oslo

NORWAY, which has one of the world's highest tax levels, yesterday announced a comprehensive reform to streamline the existing 80-year-old regime and stimulate investment.

The minority Labour Government said personal taxation would be cut by a net NKr2.4bn (£206m) by 1992, the top rate falling from 57.8 per cent at present to 48.8 per cent.

Mr Sigbjoern Johnsen, the finance minister, said that the proposed 28 per cent flat rate for corporate tax would give Norway the lowest corporate tax in the OECD area. Businesses currently pay 50.8 per cent of their profits in taxes after deductions, one of the highest levels in the OECD.

However, the overall corporate tax burden will remain virtually unchanged through a restriction on the range of deductible items.

In order to encourage investment, the existing investment tax is to be lowered to five per cent from seven per cent.

Enterprises which have accumulated large tax credits, due to become taxable under the existing regime, would be allowed to convert these to equity capital, which would be not subject to tax under the new rules.

If tax credits are not converted, the enterprises could use up to 30 per cent of their credits to acquire listed shares in onshore industries.

To come into force by 1992, the plans would have to be approved by the Storting, Norway's parliament, where the Labour party has 63 of 165 seats. Some amendments are expected.

ANC sets out ideas for new constitution

By Patti Waldmeir and Michael Holman in Cape Town

THE African National Congress (ANC) yesterday published its principles for a post-apartheid constitution, revealing an unexpectedly large degree of common ground with the ruling National Party.

Negotiations between the two parties received a setback last week when the ANC threatened to boycott talks on a new constitution until Pretoria met ANC demands aimed at halting violence. However yesterday's document, which sets out the broad shape of a future constitution, indicates there are good prospects for future progress on constitutional issues.

The document effectively confirms the ANC has dropped its insistence that a new constitution must be drawn up by an elected constituent assembly. Instead it suggests the proposed multi-party conference can discuss "the principles on which a new constitution should be based." A constituent assembly might then be elected to endorse or elaborate on these principles, a proposal Pretoria might well accept.

On the constitution itself, the ANC appears to have made some significant concessions. These include acceptance of a bicameral parliamentary system, with the lower house elected according to proportional representation on a combination of regional and national lists. The upper chamber provides for representation on a regional basis, which ANC officials say could be combined with a system of representation according to political party thus assuaging the fears of minorities.

In a key passage the document says "the legislature should be representative of the people as a whole, reflecting such differences of political views and interests as may be present in the community at any particular time."

These proposals could form the basis of compromise with Pretoria, which has been considering legislative models along broadly similar lines.

The document is vague on the critical issue of representation at executive level, but its wording leaves some room for flexibility. It says: "the central, regional and local government structures, including the law enforcement agencies and the administration of justice should reflect the composition of South Africa as a whole and draw on the talents and life experiences of all."

Previous constitutional principles drawn up by the ANC have gone little further than a call for racial equality, while these proposals attempt to accommodate the complexity of South Africa's ethnically diverse society while also reflecting "the will of the majority."

The document suggests "constitutional expression must be found to guarantee basic human rights in relation to nutrition, shelter, education, health, employment and welfare," guarantees which the National Party is unlikely to support.

Election call in Romania

MORE than 60,000 Romanians demonstrated in cities across the nation yesterday for new elections, two weeks after the government more than doubled the price of food, AP reports from Bucharest.

Under pressure to resign, Mr Petre Roman, the prime minister, said he would not step down, but reportedly agreed to reshuffle his cabinet and invite the opposition to join it.

Mr Corneliu Coposu, leader of the National Peasant Party, a main challenger of the ruling National Salvation Front, ruled out any collaboration with the Front and called for early elections.

No date has been set for the next elections, but the current two-chamber legislature was supposed to sit for only some 18 months, until it approved a new constitution and other key legislation.

Italy seeks oil emergency

ITALY'S merchant navy minister, Mr Carlo Vizzini, yesterday called for the declaration of a national state of emergency and for intervention by the European Community to tackle the potential danger of a massive oil spill threatening Italy's north-west coast, Haig Simonian reports from Milan.

The pollution risk comes from the Cypriot-registered tanker Haven, which has split in two following an explosion on board Thursday and is now slowly sinking off the coast near the port of Genoa.

Although the oil spill from the vessel, which is still ablaze, has so far been limited, the Italian authorites are warning of a potential environmental catastrophe far greater than that caused in Alaska by the Exxon Valdez should the tanker shed its cargo of 140,000 tonnes of oil.

The Financial Times (Europe) Ltd
Published by the Financial Times (Europe) Ltd., Frankfurt Branch, (Guiollettstrasse 54, 6000 Frankfurt-am-Main 1: Telephone 069-75980; Fax 069-722677; Telex 416193 represented by E. Hugo, Frankfurt/Main, and, as members of the Board of Directors, R.A.F. McClean, G.T.S. Damer, A.C. Miller, D.E.P. Palmer, London. Printer: Frankfurter Societaets-Druckerei-GmbH, Frankfurt/Main. Responsible editor: Richard Lambert, Financial Times, Number One Southwark Bridge, London SE1 9HL. The Financial Times Ltd, 1991.

Registered office: Number One, Southwark Bridge, London SE1 9HL. Company incorporated under the laws of England and Wales. Chairman: D.E.P. Palmer. Main shareholders: The Financial Times Limited, The Financial News Limited. Publishing director: B. Hughes, 168 Rue de Rivoli, 75044 Paris Cedex 01. Tel: (01) 4297 0621; Fax: (01) 4297 0629. Editor: Richard Lambert. Printer: SA Nord Eclair, 15/21 Rue de Caire, 59100 Roubaix Cedex 1. ISSN: ISSN 1148-2753. Commission Paritaire No 67808D.

Financial Times (Scandinavia) Vimmelskaftet 42A, DK-1161 Copenhagen-K, Denmark. Telephone (33) 13 44 41. Fax (33) 935335.

Yugoslavs call referendum

By Laura Silber in Belgrade

YUGOSLAVIA'S collective presidency has agreed to hold a referendum to decide the country's future structure in an attempt to resolve the deepening political and economic crisis.

The referendum, to be held in five out of the six republics by the end of May, will ask voters to choose between Yugoslavia as a union of sovereign states or as an integrated federal state.

Mr Milan Kucan, president of Slovenia, yesterday said his republic would become an independent state on the basis of a regional referendum last December.

The parliaments of Slovenia and Croatia have already adopted laws which empower them to secede.

Mr Franjo Tudjman, Croatia's president, said the western republics would "take the necessary steps towards disassociation from the federation by June 30 if an agreement cannot be reached."

The referendum is expected to reflect the division between communist Serbia and Montenegro, on the one hand, and the western republics of Croatia and Slovenia on the other.

Serbia, under President Slobodan Milosevic, is adament that Yugoslavia should remain a federation of republics with a strong centre in Belgrade, which is also the Serbian capital.

Serbia last year called for such a referendum to be conducted nationwide, which would give the advantage to Serbs, who make up about 40 per cent of Yugoslavia's 23.5m population.

The western republics called for Yugoslavia to be transformed into a loose organisation of independent states based on mutual agreements and contracts.

Macedonia and Bosnia-Hercegovina, the less developed republics, want a compromise between the two options, but they will most likely side with the proposal for a confederation.

● Romania yesterday welcomed a $748m International Monetary Fund credit package, but said it needed a further $1bn from other lending institutions to set its economy right, Reuter reports from Bucharest.

Government admits error on TV bids taxing

By Raymond Snoddy

A GOVERNMENT mistake over the tax treatment of cash bids for commercial television licences means all bids will have to be reworked within the next four weeks and are likely to be much larger.

The government admitted yesterday that it made an error when it said the bids ranked as capital expenditure and therefore could not be claimed against corporation tax. They are now tax-deductible.

The decision will affect bids – which have to be prepared by a May 15 deadline – by all of the Channel 3 franchise holders over the 10 years of their licence and which involve hundreds of millions of pounds.

Mr Rob Matthews, head of the franchise team at consultants Arthur Andersen believes the change may lead to bids that are 50 per cent higher than would otherwise have been the case.

"As a result all of the bidders, including the incumbents, will also have to adjust their financial models," Mr Matthews said yesterday.

The ITV companies had argued that it was unfair not to allow the cash bids that will in most cases determine the winners of the new 10-year franchises to run from the beginning of 1993 be tax-deductible.

In most other European Community countries, such cash bids would be allowable against tax. That, argued the ITV Association, the industry trade body, would give continental European broadcasters an unfair financial advantage.

Mr John Major, the prime minister, confirmed earlier this year that the cash bids would not be allowable against tax.

Yesterday Mr Kenneth Baker, the home secretary, admitted in a letter to the ITV companies that the government had made a mistake.

He said that the "unintended effect" of a House of Lords amendment to the broadcasting bill linking the cash bid after the first year to the retain price index had changed its status from capital to revenue expenditure.

As such, the cash bids would be allowable against corporation tax.

Mr Baker said in his letter: "I am very sorry that we didn't spot this earlier." The new broadcasting licences will go to the highest cash bidder save in exceptional circumstances.

Unions rally to claim win on 37-hour week

By Michael Smith, Labour Correspondent

ENGINEERING UNIONS yesterday ended the first stage of their campaign for a shorter working week with a warning that there may be more strikes in the near future.

Mr Alex Ferry, general secretary of the Shipbuilding and Engineering Unions, said 37-hour weeks, the target of the first stage, had been won at virtually all companies where employees had contributed to a strike fund.

He said there were about 30 companies where negotiations were still in progress or where action was being delayed, due to factors such as adverse trading conditions. Strikes were possible at such companies.

Even so, for most companies still to concede shorter weeks, the ending of the first stage of the campaign lifts the threat of stoppages in the near future.

The Confederation of Shipbuilding and Engineering Unions will keep the strike fund of more than £7.1m for the next stage of the campaign, for a 35-hour week. Mr Gavin Laird, general secretary of the AEU engineering union, said that would be launched when the recession was over.

At a London rally to celebrate the end of the first stage, Mr Bill Jordan, AEU president, said 37 hours or less had been achieved at 1,666 plants employing 600,000 blue-collar workers. He described it as the best campaign in the last decade for the trade union movement.

The Engineering Employers' Federation, which offered a 37½-hour week in a national agreement two years ago, said the unions were celebrating a dubious victory. Mr Peter Brighton, director general, said strikes had damaged companies' performances and prospects.

"Right now," he said, "it would be better to be celebrating a campaign that had increased industry's comepititiveness."

During the 18-month campaign there were about 25 strikes, according to the CSEU, with only two continuing.

At yesterday's rally at London's Royalty Theatre, union members were entertained by performers and heard speeches by union officials, including Mr Norman Willis, general secretary of the Trades Union Congress. One of the biggest laughs was raised by Arthur Smith, the comedian, who said: "I've been contracted to do 40 minutes, but sod it, I'm only doing 37."

Attraction may be skin-deep as one-off factors fade

All measures of inflation fell in March and Chris Patten is promising more dramatic news ahead, **Rachel Johnson** reports

YESTERDAY'S inflation figures for March were indisputably attractive.

All the measures of inflation fell, from the all-items index of retail prices (to 8.2 per cent from February's 8.9 per cent) to the underlying rate which strips out mortgage interest payments and the community charge (to 7.3 per cent from 7.5 per cent.)

Even without the fourth cut in base rates since mid February, the City would have regarded the figures as confirmation that the promised falls in the UK inflation rate were under way.

The Treasury expects the rate to fall much more, to 3.25 per cent in the second quarter of 1992. If it does, it will suggest an improvement in both the Treasury's anti-inflationary campaign and its rather ragged forecasting record.

It would take UK inflation below the current average of countries (excluding Britain) in the European exchange rate mechanism, which was 4.8 per cent in March. Should inflation come even close to those levels, it would be a forecasting improvement of note. Last year, the Treasury underestimated the RPI by 4 percentage points.

Yet however promising yesterday's figures, their attraction may fade fast. Under closer examination, it appears that much of the March improvement is due to one-off factors.

The biggest of them is the fact that a mortgage interest rate increase from last year has dropped out of the comparison and caused the year-on-year rate to fall by 0.42 percentage points. The other two significant signs of deflation are in the cost of domestic heating oil and seasonal food prices – which showed the largest March fall since 1957. Most vegetable prices fell by around 4.5 per cent.

In contrast, the cost of clothing and footwear, secondhand cars, prescriptions, bus fares and petrol all rose.

Mr Chris Patten, the Tory party chairman, is promising more "dramatic news ahead" with a "plummet" in inflation next month. When it comes, the drop will be almost entirely due to the rise and fall of the poll tax and recent cuts in interest rates.

The index will lose 1.3 percentage points as the effect of the introduction of the poll tax last April vanishes. The cutting of poll tax bills, announced in the Budget, removes another 1.3 percentage points. Although the net RPI impact of the Budget measures was neutral, the poll tax and mortgage rate effects may produce a 6.2 per cent April inflation rate.

Such a rate would undoubtedly give a fillip to the government – especially if it preceded a June general election. Still, even as the RPI falls next month, the underlying rate is likely to do the opposite, with a rise of 1.13 percentage points alone, caused by the increase in value added tax from 15 per cent to 17.5 per cent from April 1.

"This [underlying] rate will jump in April, possibly to nearly 9 per cent," said Mr John Shepperd, economist at Warburg Securities. Mr Chris Dillow, of Nomura Securities, warns that even if headline inflation has sunk to 4 per cent by April 1991, it will rise again.

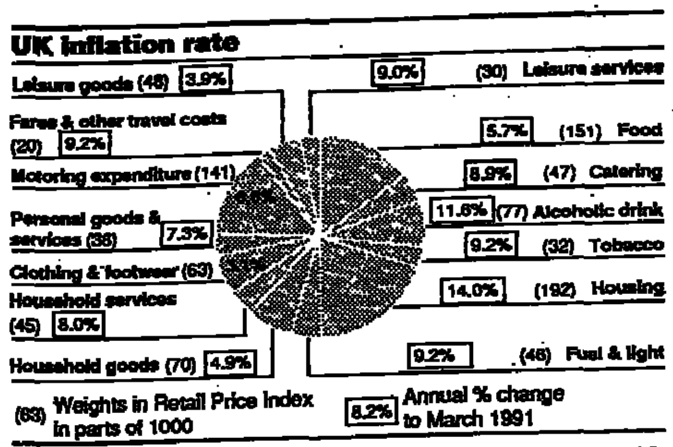
The effects of this year's poll tax and mortgage rate cuts – which are due to knock so much off the headline rate next month – will be absent this time next year.

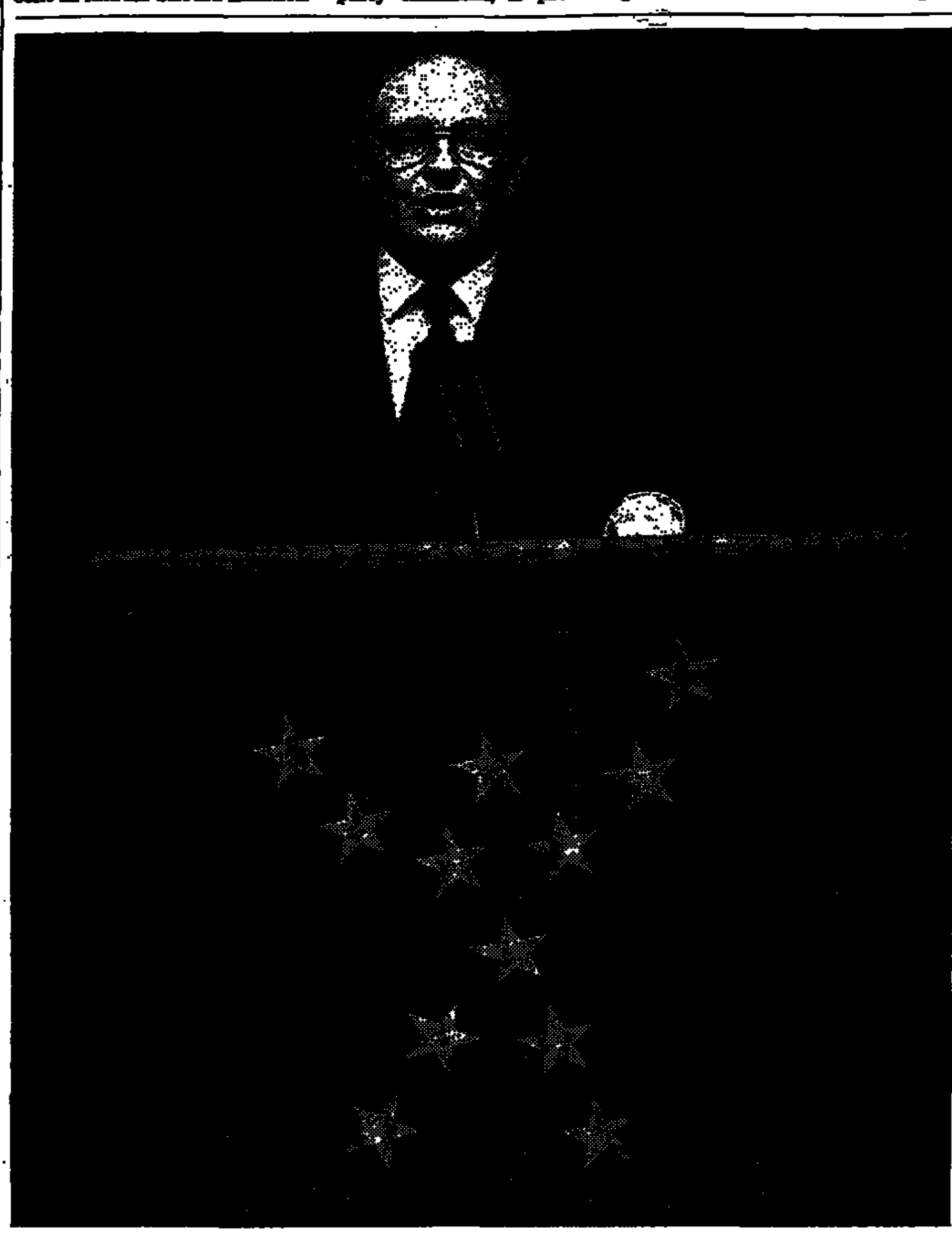
"Inflation will rise to 6.5 per cent again in 1992," Mr Dillow predicts.

That would leave the Treasury with a presentational difficulty. Headline inflation is at last falling according to plan and should continue to do so for another year at least.

Yet core inflation is showing only a modest deceleration, and reportedly causing Mr Norman Lamont, the chancellor, some anxiety. Worries will come to the fore when the underlying rate of inflation rises to overtake the RPI headline rate – which it might do next month.

So the Treasury will focus attention away from the underlying rate and back to the RPI. It is the most "familiar" measure of inflation, Mr Lamont says.





Ashley Ashwood

Championing industry: Neil Kinnock hopes for a climate where innovation flourishes

Labour defends industry with attack on City

By Ivo Dawnay, Political Correspondent

MR NEIL KINNOCK yesterday staked Labour's claim to be the party of industry with a fierce attack on the "short-termism" and myopia of the government and the City of London.

In an important speech to industrialists in Birmingham, the Labour leader pointed out that while Japanese companies took years to build scientific and technological success, "British firms are forced to think and act ever more short term".

Claiming that pressure to produce dividends takes precedence over long-term investment, he said that for every £1 spent in Britain on research and development, Italy spent £1.50, France £2 and Germany £2.35.

"Our country still has the capability to invent things but it is losing the capacity to make things," he warned.

"It is now therefore essential to put ideas and innovation right at the heart of our long-term strategy for industrial regeneration."

In an effort to counter Tory charges of interventionism, he concluded that the refusal to use the "enabling power" of the government had meant the neglect of British innovation and talent to the advantage of commercial competitors.

It was the duty of government to make up for failures of the market, he said.

To back the claim, the Labour leader used the introduction of his speech to repeat charges made by the House of Lords all-party science and technology select committee in January.

Published only days after Labour launched its industrial policy paper, it appeared to vindicate the party's strategy by warning of the decline in Britain's competitiveness in manufacturing.

Quoting from the committee report, Mr Kinnock emphasised its conclusion that "we must create a climate in which innovation can more readily flourish".

He then went on to spell out the case for a "learning society" as the route to a creative economy. Reiterating Labour's calls for better secondary education, he promised a modernised system of training for post 16-year-olds fostered by the establishment of a universal right to a traineeship.

The Labour leader then went on to present the government's role as fourfold:

- To develop a stable economic environment while introducing fiscal and monetary policies geared to encourage investment.
- To establish research credits and capital allowances framed to bring Britain into closer conformity with policies adopted in France and Japan.
- To provide cash-limited funds for a new "Frontiers" research programme aimed at environmental, new materials and information technology applications.
- To create Technology Trusts, linked to universities, to foster the commercialisation of ideas.

NEWS IN BRIEF

Fall of 8% in building is forecast

CONSTRUCTION output in the UK will fall by 8 per cent this year, according to a forecast by the National Council of Building Material Producers, writes Andrew Taylor. That would be the first reduction in annual output since 1981.

The council, one of the sector's principal forecasting bodies, represents about 2,000 building material companies with a combined annual turnover of more than £20bn.

It said that the biggest fall in output this year would be in private-sector commercial building.

Commercial output, mostly offices and shops, was expected to decline by 20 per cent. Private industrial construction output was forecast to fall by 5 per cent.

Housing recovery

THE lower end of the housing market is recovering, with more activity noted among first-time buyers, says a report published by the National Association of Estate Agents.

The report says that highe-priced properties are unaffected by the upturn and that consequently the market remains fragile.

Labour fights crime

LABOUR dismissed the "glitz and glamour" of next week's Crime Prevention Week, which it described as "a £4.5m public relations exercise", launching its own 11-point plan to fight crime.

Mr Roy Hattersley, shadow home secretary, said that Labour would impose statutory crime prevention responsibilities on local councils and would set up a national Crime Prevention Council.

Rail fares to rise

FARES on many Regional Railway services will rise on May 12, British Rail announced. In most cases, the fares in question were excluded from the general increase in January.

The increases will be concentrated on routes where new trains have improved quality of service.

InterCity and Network SouthEast fares are largely unaffected, but some Network SouthEast one-day travelcard prices will rise by 10p or 20p.

Fewer eye tests fear

THE NUMBER of eye tests administered by opticians has fallen by 20 per cent since eye test charges were introduced in April 1989. the Association of Optometrists said.

The association fears that the average £13.50 cost of private tests is forcing a growing number of people to buy prescription glasses from chemists.

Stockbroker demise

HALL Graham Bradford, the London-based stockbroker, ceased trading yesterday.

All its business will be transferred to Greig Middleton, another stockbroker, from Monday.

Gas import deal requires treaty

By David Thomas in London and Karen Fossli in Oslo

TREATIES between the UK and Norway will have to be revised before National Power can import large quantities of Norwegian gas, the Department of Energy said yesterday.

The department's comments came after Britain's biggest electricity company confirmed that it had signed a 15-year gas supply deal with a group of Norwegian gas producers led by Statoil, the state-owned energy company. The Norwegian company expressed confidence that the UK government would approve the supply contract.

The UK government has opposed further gas imports, fearing they would discourage full exploitation of UK gas reserves. Industry observers believe the recent surge in demand for power station gas will force a change in policy.

The deal is to import 2.2bn cu m of gas a year, enough to supply a large power station of 1,300 MW capacity, from the mid 1990s. The estimated value of the deal is about £150m a year. The contract, signed late on Thursday night, is the first between Norway and a large UK energy consumer. British Gas has been Statoil's only UK customer.

Statoil said yesterday that Norway was making progress in negotiations with three or four other UK customers eager to buy Norwegian gas.

The UK's energy department said that the National Power deal would require either a new treaty or an amendment to the existing treaty governing the Frigg line, through which the gas will flow.

Statoil supplies British Gas through the Frigg pipeline to St Fergus in Scotland under a long-standing arrangement.

National Power said yesterday that it was discussing gas deals with several other suppliers operating in the UK sector of the North Sea. The Norwegian gas might be used to supply part of the demand for National Power's planned stations at Little Barford in Bedfordshire and at Staythorpe in Nottinghamshire or at further unannounced projects.

Statoil indicated yesterday that National Power's gas might come from satellite fields in the Frigg area, although final decisions would be made later this year.

President suggests higher bonding for companies at greater risk

Abta to study members more closely

By Clay Harris

THE Association of British Travel Agents is to scrutinise member companies' business practices more closely in order to decide what level of bonding each requires, Mr John Dunscombe, ABTA's president said yesterday.

It has begun a review of every member company's financial position, which is expected to be completed by June 30. Companies that have a high seasonal exposure, such as ski tour operators, or employ unorthodox business methods, may need to put up higher bonds than others, he said in Llandudno, where Abta is holding its annual conference.

Mr Dunscombe said that was necessary if Abta was to fulfil its highest priority – which is to guarantee that no customer of any of its travel agent or tour operator members that went out of business would lose money.

The new approach is likely to be unpopular with companies such as school tour operators, which are already angry that Abta has raised their minimum bonding level to 25 per cent of turnover after two dramatic failures which are expected to cost Abta £3.5m.

Mr Dunscombe said the increased emphasis on business practices was a direct result of what Abta had learned about Adventure Travel International, a school tours group that ceased trading on March 28.

ATI had collected "significantly large" deposits on holidays due to be taken in April 1992, Mr Dunscombe said.

It had also collected outstanding balances as much as six months before departure rather than the 8-10 weeks that was standard among other companies, he said. Many school holiday companies require bookings to be made a year ahead, but the size of deposits ATI was demanding was unusual, Mr Dunscombe indicated.

The higher bond required for school tours operators was attacked yesterday by Mr Simon Ayres, sales director of Winter World, based in Ilkley, West Yorkshire. He said Abta had "acted too quickly without much thought about the effect it will have on the rest of the industry". He estimated that the higher bond would cost Winter World £50,000 this year which it would not be able to recoup from customers because contracts had already been made for next winter.

Mr Andrew Lay, commercial director of Brighton-based Skibound, now the UK's largest school tours group, said his company "should not be penalised for other people's business misjudgments".

Mr Dunscombe said it was open to any company to approach ABTA's bonding committee with evidence supporting its case for a lower requirement. Still, 25 per cent was a minimum and bonds might be higher for some school tours companies.

He agreed that Abta was implicitly admitting it had not vetted forcefully enough in the past. It had now hired additional financial staff, some of whom had taken over Mr Dunscombe's own office.

Mr Ayres claimed that Abta had been aware of ATI's trading methods for a long time. He said he would write to Abta to urge "close scrutiny" of any application for membership by companies in which Mr David Constance and Mr Nigel Parker, ATI's founders, have an interest. His views are expected to be endorsed by several other school tours groups.

Alan Harper

Some bonds will be higher than others: John Dunscombe explains the new approach

Car chiefs to question Lamont on tax changes

By John Griffiths

THE HEADS of the biggest UK-based car manufacturers are to meet Mr Norman Lamont, the Chancellor, to seek clarification of what they perceive as an increasingly hostile attitude by the government towards the industry.

The industry leaders and Sir Hal Miller, chairman of the cross-party motor industry group of MPs, will question budget increases in taxation on fuel and company cars.

Mr Derek Barron, chairman of Ford UK, Mr Paul Tosch, Vauxhall's chairman, Mr George Simpson, chief executive of Rover Group, and Mr Geoff Whalen, managing director of Peugeot Talbot, are among those expected to attend the meeting, part of a last-ditch campaign to change the Finance Bill, due to be published on Wednesday.

The move come against the background of one of the sharpest falls on record in UK new car and truck sales. Car sales declined by more than 22 per cent in the first quarter of the year, and some in the industry have warned that sales might be as low as 1.6m this year, compared with 2m last year and a record 2.3m in 1989.

Sir Hal told journalists yesterday the tax measures were "plainly discriminatory" against the industry.

German bank loses tax ruling

COMMERZBANK, the German bank, yesterday failed in its attempt to win a High Court ruling that the Inland Revenue was legally bound to reimburse it more than £5m.

It claimed it was owed the amount in respect of interest on £4.2m overpayments of UK corporation tax between 1973-76. It did not recover the overpayments until 1990.

Two judges refused the bank's application for judicial review after declaring that, as it was not resident in the UK, it had no entitlement to the repayment supplement.

The court rejected the argument that the residence requirement was "inconsistent" with the Double Taxation Treaty between the UK and Germany. But Lord Justice Nolan, sitting with Mr Justice Henry, agreed to refer the matter to the European Court of Justice.

CPS attacked as insider dealing case collapses

By Raymond Hughes, Law Courts Correspondent

THE Crown Prosecution Service was yesterday ordered to pay defence costs estimated at about £500,000 by a judge who called the "catalogue of omissions" in a case it had brought "so appalling as almost to be considered scandalous".

Judge Sanders made his order at Wood Green crown court in London after the CPS offered no evidence against Mr Reg Brealey, chairman of Titaghur, a jute manufacturing company, and two other men on insider dealing and other criminal charges.

The judge also warned that "the Stock Exchange and other bodies who are permitted by parliament to employ special investigating agencies should understand that the evidence obtained by those agencies will only be acceptable to the courts if those employed by them, and employing them, ensure that their conduct is of the highest standards of efficiency, honesty and fairness."

He said the CPS must pay all costs incurred by Mr Brealey, his personal assistant, Mr Richard Aram, and Mr Robert Lee, a financier, since their committal for trial last May. Earlier defence costs will be paid out of central funds.

Later Mr Brealey spoke of the effect of the case on Titaghur. He said the Stock Exchange had suspended its shares the day after his arrest three years ago. His solicitor had written to the exchange to try to have the suspension lifted, explaining why, as a matter of law, his prosecution was misconceived.

"Sadly, the Stock Exchange did not even attempt to reply and Titaghur shareholders have effectively been disenfranchised and my plans for the regeneration of the company's business, which depended on a UK stock exchange listing, could not proceed."

Mr Brealey said he was delighted he had at last been vindicated but sad that Titaghur's 20,000 workers and their 100,000 dependants should have had to suffer.

The three men, who all pleaded not guilty, had been jointly charged with conspiring to contravene the Company Securities (Insider Dealing) Act by dealing and counselling or procuring others to deal in Titaghur shares; with dealing in 123,000 Titaghur shares when prohibited from doing so; and with creating a false market in Titaghur shares in breach of the Financial Services Act.

Mr Brealey and Mr Aram were jointly charged with three other insider dealing offences of procuring the purchase of Titaghur shares, and each was separately charged with one similar offence. Mr Brealey alone was charged with two offences of making misleading statements about his stake in Titaghur in breach of the Financial Services Act, and one of breach of a Companies Act disclosure obligation.

The trial was scheduled to start last Monday but was delayed when defence lawyers complained of what Mr George Carman, QC, for Mr Brealey, characterised as "bad faith and gross incompetence" on the part of the prosecution. Complaints included failure to reply to defence solicitors' letters, "inordinately" late delivery of several hundred pages of documents, and failure to provide other information.

Announcing the decision to offer no evidence, Mr Philip Singer, counsel for the CPS, said that although it was the prosecuting authority, the investigating agency was the Stock Exchange insider dealing group, over which the CPS had no direction or control.

He spoke of the "exceptionally heavy" burden on the CPS in a complex case and said some of the defence's criticisms were exaggerated and were "wholly rejected" by the prosecution. He was satisfied there had been no bad faith on the part of anyone involved in the prosecution.

Reg Brealey (right) with his brief before the proceedings

Reversed roles for London's opera houses

Antony Thorncroft on how Covent Garden and the ENO are facing a difficult decade

THIS WAS the week when the top brass of the Royal Opera House, Covent Garden, and English National Opera made for the exit.

Out from Covent Garden go Lord Sainsbury, retiring after four years of a proposed five-year stint as chairman of the board, and Mr Jeffery Tate, the principal conductor, who will take over the Rotterdam Philharmonic.

Down the road at London's Coliseum, home of English National Opera, Mr Mark Elder, music director, and Mr David Pountney, director of productions, announced their departure just a week after the news that Mr Peter Jonas, general manager, was leaving to take over as *Intendant* at the Munich Opera.

When the dust had settled, the opera scene in London looked much changed. Better financial figures than expected made Covent Garden's future suddenly seem brighter, while the ENO triumvirate, who leave in two years, will have to work hard to clear a nasty deficit.

When Mr Jeremy Isaacs, director general of Covent Garden, presents his balance sheet next week he is likely to announce that the accumulated deficit, long reported to be £5m, is nearer £3.5m, while the 1990-91 shortfall has been cut from £1.9m to £500,000. For the financial year starting this month, Mr Isaacs is budgeting for a £500,000 surplus.

To secure the improvement, seat prices for the present season, which ends in July, were raised by 17 per cent. Two planned productions were cancelled. Mr Isaacs has cut the workforce through redundancies and a recruitment freeze and changed overtime practices.

He plans a 12 per cent rise in ticket prices in the season starting in August and has cancelled a production of Zimmerman's Soldaten, which is especially expensive to stage.

He can afford to take such steps because Covent Garden is enjoying unprecedented box office success. The critics may complain of unremarkable "bought in" opera productions and a lacklustre dance company, but audiences are at 94 per cent of capacity and attendances at dance not much less.

Mr Isaacs is pursuing aggressive marketing tactics, squeezing 11 performances of a popular opera, probably Rigoletto, in between the presentation of The Ring next autumn, when the House is usually left dark. One sold-out opera performance can make a net contribution to revenue of £50,000.

So far as future prospects are concerned, much depends on whether the public can absorb another price increase, but Mr Isaacs feels he has no choice.

"We raised £6.2m from sponsors last year," he said. "We needed a £3m increase in grant from the Arts Council and got £1.4m. We've got to maximise box office." That policy will push seat prices, some already above £100, even higher, attracting more criticism that the Royal Opera House is élitist. Mr Isaacs' main complaint is that he is criticised for making the opera the preserve of the rich and criticised if he operates at a loss.

He is attempting to appease both camps by booking Placido Domingo to play in Tosca this summer in one gala and two premium-priced performances, which will raise £500,000, adding an open-air performance at Kenwood, where 10,000 people can watch at a modest price from deckchairs.

Lord Sainsbury resigned because he could see no immediate end to the time-consuming difficulties at Covent Garden. Mr Isaacs is stuck there. Just as he seemed to have broken the back of the financial crisis, the government raised value added tax by 2.5 percentage points, more than wiping out Covent Garden's £230,000 contingency fund for 1991-92.

"There will never be a glorious day when financial problems will be removed from us," Mr Isaacs admits. In the meantime, he will go on repeating the point that if the government wants an international opera house, it must be prepared to pay for it on the European scale.

He has just returned from a continental tour, taking in the opera houses of Antwerp, Amsterdam, Brussels and Bologna. All are more generously treated than Covent Garden, where the subsidy as a proportion of income has fallen from 53 per cent to 37 per cent in the past five years.

In spite of the gains of the past year, the events that would really secure Covent Garden's future still seem far off, such as a new arts-inclined government that would take up of Lord Sainsbury's pet proposal that national institutions such as Covent Garden should be centrally funded rather than compete with myriad small arts groups as clients of the Arts Council. Or the day in the mid 1990s when the British Library is finally finished, with the chance that the £60m a year it absorbs from the arts budget could be transferred to other worthy causes. Or a revival in the property market that would make Covent Garden's long delayed, and much reduced, rebuilding programme more commercially attractive. Or a realisation in the City that London needs a flourishing opera house to compete with Frankfurt am Main and Paris as an attractive business centre.

For the Coliseum, action is needed now. In the past year, ENO's debts have risen £800,000 to an accumulated £1.3m.

Over the past seven years, the ENO's adventurous, unexpected productions – such as a Rigoletto set in Prohibition America – brought it critical acclaim, an enthusiastic audience, and the support of sponsors. But a season mainly devoted to operas written in the 20th century, combined with an average rise in seat prices of almost 18 per cent, proved that neither the public's appetite, nor its purse, was strong enough.

Attendances fell to about 73 per cent. Over the past two seasons, ENO's audiences have dropped by almost 10 per cent, and box office income in 1991-92 was £650,000 under budget.

Not surprisingly, there are few risks in the 1991-92 schedule, and a surplus for the season of over £400,000 is expected.

Mr Pountney and Mr Elder have been working together since 1977 and have decided to move on at the same time as Mr Jonas. In the next few months, Lord Harewood and his ENO board will choose Mr Jonas's successor, who will face many difficulties similar to those which beset Lord Sainsbury and Mr Isaacs. The roof of the Coliseum needs multi-million-pound repairs and the lease comes up for renewal in the mid 1990s.

While the ENO has crackled with creativity, Covent Garden has laboured in the past, burdened with productions commissioned up to three years in advance, and with an entrenched hierarchy. Yet Covent Garden has been forced to confront the difficulties of an underfunded national opera house. It is a challenge that the ENO still faces.

Alan Harper

The Royal Opera House (above) is now attracting near capacity audiences

Appeal to government on political risk cover

By Peter Montagnon, World Trade Editor

THE GOVERNMENT may have to give a lasting commitment to reinsure loans to politically risky developing countries if its plan to privatise the Export Credits Guarantee Department is to succeed, one of the bidders said yesterday.

Mr Jason Hadick, managing director of Cobac, the Belgian private-sector credit insurance company, said Cobac would withdraw its bid "with deep regret" if it had to assume such risks on its own books.

His remarks to a meeting of exporters highlight the way in which the question of political risk cover – regarded by exporters as vital on sales to such markets as China, India, Mexico and the Soviet Union – has become a decisive issue for the privatisation.

Exporters have long feared that the sale of ECGD would deprive them of political risk cover, putting them at a serious disadvantage with their European competitors.

Now they see in the attitude of potential bidders an opportunity to put pressure on the government to improve its grudging promise to keep the question of political risk under review for three years after the sale.

NCM, the Dutch agency which has been shortlisted by Whitehall as a potential buyer, has said that it will not write business for its own account on markets outside the area of the OECD.

Among other potential bidders, Eagle Star has withdrawn from the race, while Sun Alliance has yet to decide whether to go ahead. The deadline for bids is April 30.

The government has argued that private-sector reinsurance companies could fill the gap left by its withdrawal from political risk cover, but Mr Hadick said that was unlikely.

It would be inappropriate for European governments to withdraw until official reinsurance arrangements existed at Community level, he said. If the UK did withdraw, it would be the only government in the industrial world not to provide such support for short-term export credits.

Judge criticises Lonrho attempt to sue Fayeds

THE LATEST attempt by Lonrho, the multinational conglomerate, to sue the Fayed brothers over their takeover of the House of Fraser stores group six years ago was described by a High Court judge yesterday as "bogus" and "silly".

Mr Justice Millett granted the Fayeds and House of Fraser Holdings an order striking out Lonrho's action. He also awarded costs against Lonrho on the highest scale, which could leave it with a bill for more than £250,000. Lonrho was given leave to appeal.

In the action – Lonrho's third against the Fayeds – Lonrho claimed rescission of the November 1984 sale of its 29.9 per cent stake in House of Fraser to the Fayeds and a declaration that House of Fraser Holdings held the entire share capital in the stores group in trust for Lonrho.

The claim alleged that the Fayeds intentionally and dishonestly led Lonrho mistakenly to believe they had neither the ability nor the wish to make a takeover bid for House of Fraser.

The judge said Lonrho's case was "highly implausible". The sale of its shares made no sense in the absence of some "secret understanding" with the purchaser or an undertaking from the Fayeds that they would not bid. There was undisputed evidence that in October 1984 Mr Mohamed Fayed told Mr "Tiny" Rowland that he and his brothers did wish to make a full bid.

Even if Lonrho had been deceived into believing the Fayeds had no intention to bid, it had been "undeceived within days" because their intention to bid had been the subject of public comment as early as November 5 1984.

He said he was convinced on considering the history of Lonrho's campaign against the Fayeds, that the rescission claim had no foundation in fact and was not made in good faith and with a genuine belief in its merits.

BLUE ARROW TRIAL

Ex-County chief tells of legal inquiry

By John Mason

A FORMER chairman of County NatWest Securities insisted to the Blue Arrow trial yesterday that he had asked for legal advice about buying a large holding of Blue Arrow shares in the 1987 rights issue.

Mr Philip Rimell, a prosecution witness, denied a suggestion from Mr Vivian Robinson, QC, for Mr Nicholas Wells, a former County director and one of the defendants, that he had accepted shares worth more than £50m with delight and without seeking legal advice.

Mr Rimell said when he was first told that CNWS had to take 5.5 per cent of the Blue Arrow equity, Mr Wells had said legal advice had already been taken.

Even when the stake was reduced to 4.5 per cent, below the 5 per cent level where disclosure may have been required, Mr Rimell said he still sought the advice.

County NatWest, NatWest Investment Bank, UBS Phillips & Drew Securities and seven individuals deny conspiring to mislead the markets over the outcome of the £837m issue. The trial continues on Monday.

FINANCIAL TIMES
NUMBER ONE SOUTHWARK BRIDGE, LONDON SE1 9HL
Telephone: 071-873 3000 Telex: 922186 Fax: 071-407 5700
Weekend April 13/April 14 1991

A matter of perception

STRANGE to recall that only two months ago a group of monetarist economists were warning about an impending slump and calling for Britain to unshackle itself from the discipline of the exchange rate mechanism (ERM) of the European Monetary System. That discipline notwithstanding, the market has now seen the fourth successive half-point cut in interest rates since mid-February and dealers are predicting that sterling will soon be testing the DM3 level, compared with its central rate within the ERM of DM2.95.

With the local government elections looming, the latest cut in rates, together with yesterday's bigger-than-expected fall in the retail price index, is notably convenient for the Tories. But why the astonishingly rapid change in fortune? And how is it that despite a more slender premium in British interest rates over those in Germany, sterling actually appreciates rather than declines against the D-Mark?

A cynic might say that no market is more capricious than a currency market. A more sober verdict might be that sterling is simply the beneficiary of a back-handed compliment. The big change of perception in the markets over the past two months is about Germany, not Britain.

The collapse in the popularity of Helmut Kohl, who was jeered last weekend as he made his first visit to the east since the general election, clearly has something to do with it. West Germans are anxious about the spiralling tax bill for unification; those in the east have mounting worries about unemployment.

Reduced expectations

The markets, meantime, have shifted their attention from conflict in the Gulf to instability in the Soviet Union and eastern Europe. They are struck by the sudden reappearance of a deficit on the German current account and inclined to reduce their expectations about German growth. And they are unnerved that the main focus of monetary tension in Europe is no longer between the Bundesbank and the weaker members of the ERM but between the Bundesbank and Bonn.

The problem arises because Germans in the east have been bribed with excessive real wages in order to minimise migration westward. The resulting loss in comparative advantage helps explain rocketing unemployment in the eastern labour force. Clearly the Bundesbank president Mr Karl Otto Pöhl cannot frame a monetary policy that simultaneously curbs potentially inflationary pay claims by IG Metall in the west, while providing relief to the unemployed in the east. It is a dilemma for which there is no perfect short-term solution, and it has been exacerbated by the weakness of the D-Mark, not only within Europe but against a dollar that has seen an equally marked change in sentiment.

In the US as in Germany, the shift has been substantially propelled by long-term capital. Last year foreign investors were net sellers of US equities and bonds, having earlier been significant buyers. When it became clear that the Federal Reserve was loosening monetary conditions and that the economy was about to turn, the portfolio flow into Wall Street was reactivated. That in turn boosted the dollar; and the unwinding of hedged positions added leverage to the dollar's bounce.

Different priorities

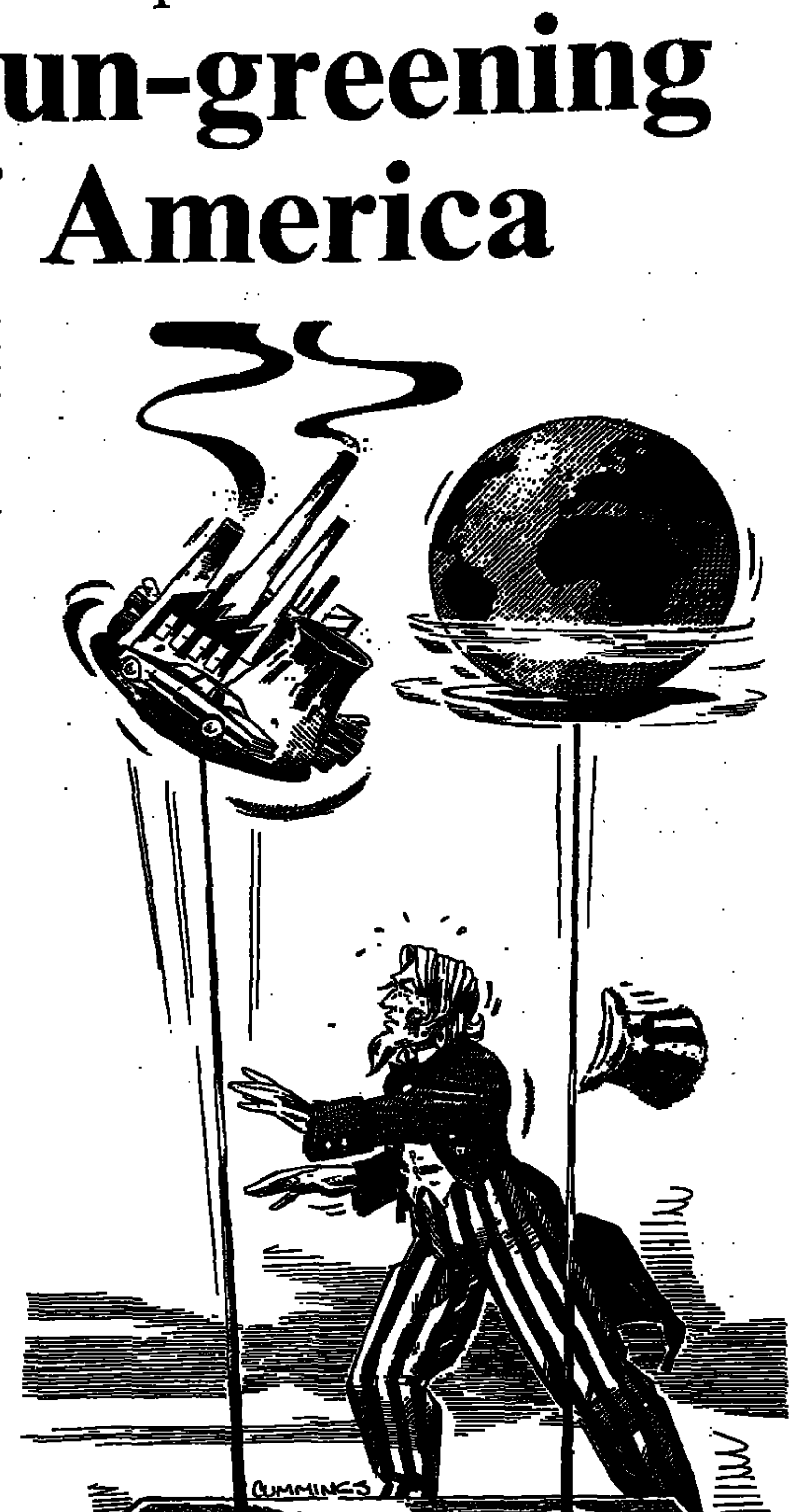
The speed of the turn reflects the way international fund managers change their asset allocation priorities more rapidly in foreign markets than at home. In domestic markets they seek to match assets with liabilities; outside they adopt more active strategies designed purely to enhance returns. They also look at the relative cheapness of assets in common currency terms, which helps explain part of the enthusiasm for dollar assets in recent weeks.

So far the dollar has proved resilient in the face of central bank intervention. And despite calls by the US Treasury secretary Mr Nicholas Brady for a debate that extends way beyond currencies at the Group of Seven's informal meeting in London tomorrow, it seems unlikely that there will be any attempt to extend policy co-ordination to interest rates. The more obvious avenues for joint action, while the leading economies are still on divergent growth and inflation paths, probably lie in such issues as burden sharing and reconstruction after the Gulf war, finding a way through the impasse in the Uruguay trade round and rebuilding the Soviet and eastern European economies.

In due course the market pendulum will swing back again. For the British chancellor Mr Norman Lamont the economist's lag is not, for the moment, a politician's nightmare but a boon. Yet if the Tories underperform at the local elections next month, sterling may once again be burdened by an adverse political factor and the markets will be impressed more by high wage demands than falling headline inflation rates.

The environmental movement has run out of steam in the US, says **Lionel Barber**, as the recession has exposed its weaknesses

The un-greening of America



Earth Day 1990 was one long party for the environmental movement. Hollywood film stars took to the air-waves in droves. Elephants crushed aluminium cans at Washington DC's national zoo to demonstrate recycling, jungle-style. Commentators prematurely heralded the birth of environmental populism, an invincible grass-roots movement which would dominate the political landscape for years to come.

Almost a year later, the Gulf war and the recession have turned the green movement a whiter shade of pale. Organisations such as the Natural Resources Defence Council and the World Wildlife Fund are experiencing a slowdown in membership and revenues. At the National Wildlife Federation, whose annual budget tripled to $90m during the 1980s, the first staff lay-offs have already begun.

The sudden squeeze may only prove cyclical, matching the economic downturn; but it is all the more painful because environmentalists entered the 1990s convinced that this was to be the green decade. So, too, was Mr George Bush, the self-proclaimed "Environmental President".

The first sign that something was amiss appeared in last November's mid-term elections. State-wide measures backed by environmentalists lost in California, Missouri, Oregon, New York, and Washington. In each case, voters either rejected new billion-dollar bond issues for "green projects", or they simply refused to back new environmental regulations.

The biggest defeat occurred in California, often viewed as a trend-setting state for the rest of the US and for that matter Europe. Voters overwhelmingly turned down Proposition 128, a hugely ambitious environmentalist package known as "Big Green" which needed only a bare majority among voters to pass into law.

Big Green sought to enforce sweeping new regulations on timber cutting, agricultural pesticides, off-shore oil-drilling and petrol emission standards. Other measures included a requirement for developers to plant a tree for every 500 square feet of new building projects, and a 25-cents-a-barrel tax on oil passing through the state. The initiative ran to 39 pages.

Proposition 128's defeat can be interpreted just as the triumph of common sense on the part of the Californian voter, a declaration of support for the status quo. Having just witnessed the passage of the Clean Air Act in Washington DC, which mandated important practical measures such as tougher exhaust emission standards, the public saw Big Green as one step too far.

Many environmentalists draw wider lessons, arguing that the Big Green fiasco has ramifications for the rest of the country and for the political methods and tactics used by the green movement.

In a prescient article which appeared last April in the neo-liberal New Republic magazine, Mr Gregg Easterbrook, a self-styled liberal sceptic, pinpointed many of the movement's weaknesses:

"As Earth Day approaches there is a growing sense that the only socially respectable attitude toward the environment is pushing the panic button," he said. "Fashionable alarmism may eventually create a Chicken Little backlash: as the years pass and nature doesn't end, people may stop listening when environmentalists issue warnings."

Eco-activists have certainly become more adept at using the national media to convey their warnings about oil spills, global warming and the fate of the spotted owl in Oregon.

Two years ago, the National Resources Defence Council (NRDC), an environmental pressure group, sought maximum exposure for its report on Alar, a potent pesticide used on apples, by leaking its findings exclusively to a weekend network news programme. Officials at the Environmental Protection Agency were inundated with calls from anxious mothers, but were unable to respond effectively because they had not been given the data in advance.

The result was a tidal wave of publicity which panicked the federal government into declaring that the chemical might pose a risk to children. School districts stopped buying apples; export markets collapsed temporarily; and domestic prices took a beating. It was only several weeks later, when three government agencies declared that the apples were safe to eat, that the debate on the pros and cons of Alar became more balanced.

The Alar scare is instructive because it foreshadowed what Ms Mary Nichols, a senior attorney at the National Resources Defence Council (NRDC) and a director of the California Clean Air programme, describes as the intellectual arrogance inherent in the Big Green movement. "We thought we did not need to convince people of the merits of our argument," recalls Ms Nicholl. "We thought we did not even need to respond to arguments against Big Green."

Big Green was so detailed, so complex that Mr John Dwyer, a lecturer at the University of California at Berkeley described it as similar to the monster created by a frenzied scientist's DNA experiment. There was little informed discussion of whether the new regulations on food safety, pesticides and other subjects would hamper economic development in California; the impact on employment; or the anticipated health and environmental benefits proportional to the economic and social costs.

Mr Bob Hattoy, regional director for southern California for the Sierra Club, another environmental pressure group, agrees that Big Green supporters failed to make their case to the ordinary voter. "We talk to each other too much. We go to West Side liberal, chardonnay-and-brie cocktail parties," he says. "We don't hang out in shopping malls or bowling alleys. But that is where working people are."

The environmental movement's ambiguity about traditional politics is compounded by its reliance on celebrities. When Ms Meryl Streep testifies about Alar before a congressional committee in Washington DC, newspaper headlines and television coverage follow on cue. But Ms Streep comes from Hollywood, which even in its most politically conscious hours represents the brashest of American consumerism.

In defence of the environmentalists, Ms Nichols points out that Big Green was invented not by one of the main green organisations, but by a politician: Mr John Van De Kamp, the colourless former state attorney-general who was running last year for the Democratic nomination for governor of California. Like many other politicians, Mr Van De Kamp calculated that if he played the green card, he could not lose. (He did – to Ms Dianne Feinstein, the former mayor of San Francisco).

Before it went over the edge, a host of eco-activists clambered aboard the Van De Kamp bandwagon. The most notable was Mr Tom Hayden, the long-time *bête noire* of California politics who until recently was married to Ms Jane Fonda and represents Santa Monica in the state assembly.

"The environmentalists allowed themselves to be painted as a left-wing movement," says Ms Donna Bojarsky, an experienced political observer in Los Angeles, "and that was very damaging."

Especially in a recession. "In a strong economy, voters can have the luxury of focus on softer issues such as homelessness and the environment," says Mr John Emerson, deputy city attorney in Los Angeles and a future candidate for the state assembly. "When the economy is weak, you have to use different arguments: such as cleaning up toxic waste means higher local property values; more open spaces in California means less need to spend money on a vacation in Florida."

Like Mr Emerson, environmentalists are searching for a new message to broaden their appeal to the American public. The difficulty seems to be that their cause has become mainstream – and more and more politicians are laying claim to the middle ground, too.

These days, very few US politicians at state or national level would echo former President Richard Nixon's contemptuous rejection of the eco-movement as "the birds and bunnies people". Nor would they emulate Ronald "Trees Cause Pollution" Reagan whose innate hostility towards environmentalism may have made him the greens' greatest unwitting ally. Between 1982 and 1990, the World Wildlife Fund's US membership grew from 60,000 to 1m; meanwhile, between 1984 and 1990, the NRDC membership alone doubled to 170,000.

Instead, most copy President Bush, the one-time Texas oil-man who has neutralised the environmentalists by co-opting their message and taking symbolic steps such as awarding the Environmental Protection Agency Cabinet status. "George Bush says Ich Bin ein Environmentalist, and everybody cheers," says Mr Hattoy with heavy irony.

Big business, too, dresses up in green. Chemical companies such as Dow, Monsanto or Du Pont invariably run advertisements with babies or animals to demonstrate that they too support a greener, cleaner America.

But US companies are not only talking, they are taking action. McDonald's, the fast-food company, recently bowed to environmentalist pressure and abandoned the styrofoam container which for years housed the Big Mac and the Double Cheeseburger. Utilities such as Pacific Gas and Electric have introduced wide-ranging energy conservation measures.

The biggest practical change came last year in the US Congress when legislators, after an 11-year battle, passed a Clean Air Act which set new standards for reducing smog in the big cities by 1999. The final bill toughened exhaust emission standards, and will mandate the auto industry to produce at least 150,000 "super-clean" cars and light trucks under a California pilot programme by model year 1996; even cleaner models are required by 2001. Similarly, strong new provisions to curb acid rain were enacted.

The Clean Air Act spreads political credit to Mr Bush and Democratic congressional leaders such as Senator George Mitchell of Maine, in roughly equal measure: both can now claim to have influenced what turned out to be a classic US political compromise after prolonged bargaining.

More important, it offers the two parties ammunition against the environmentalists who criticise from the sidelines that neither the executive branch nor the legislature are tackling other pressing eco-issues such as global warming and energy conservation.

They are right. Mr Bush's recently announced national energy strategy strongly favours increasing domestic production including recommendations to open up the Arctic National Wildlife Refuge in Alaska for oil drilling, and expanding exploration on the outer continental shelf such as the Mexican Gulf and the California coast. As well as raising oil output, the administration is seeking to ease regulations to stimulate natural gas and nuclear power.

Conservation has become a casualty of opposition from White House economic advisers who argue that ambitious environmental plans would increase substantially industry's or consumers' costs. Instead the focus is on more efficient use of energy by businesses, public utilities and households. The Sierra Club has denounced the national plan as "nothing more than an answer to the prayers of the oil, nuclear and auto industries".

The Gulf war and the recession have certainly helped reshape the environmental debate. Mr Hattoy recalls being buttonholed recently by one US congressman who said he would vote to support oil-drilling off the US coast – if the price is avoiding sending the troops to the Middle East to secure the oil-supply lines. "It's a Drill or Die policy," says Mr Hattoy.

The story sounds extreme, but it serves as a reminder that the environmental movement is going to have a fight to maintain its hard-won gains in the coming months.

MAN IN THE NEWS

David Tweedie

Calvinist crusader holds his profession to account

By David Waller

Professor David Tweedie, chairman of the Accounting Standards Board (ASB), once delivered a speech asking whether the modern accountant was a crusader or a prisoner of the past.

Moral zeal and a fighting spirit are unusual qualities in any accountant but in Prof Tweedie's case, there is no doubt about which category he belongs to. He is a crusader, with a mission to reform British financial reporting.

Just how much of an impact this 46-year-old Scotsman is going to have on business life in the UK became clear on Wednesday this week when the ASB issued its first draft rules for the reform of company accounts.

The proposals envisage a radical overhaul of the profit and loss account, so radical that this central document will once more become a useful indicator of a company's performance. There will be more information than before, and less scope for ingenious finance directors to bend the rules. For a large number of companies, reported profits will fall as a result.

Bending the accounting rules became something of a national pastime for UK companies during the 1980s. There was a proliferation of off-balance sheet finance and brand accounting, an abundance of extraordinary items and merger accounting.

These practices may appear arcane to the layman but the consequences were far from obscure. People lost their jobs and investors lost their money. Adventurous accounting was a prime factor in the collapse of a number of large quoted companies, including Polly Peck, Parkfield, British & Commonwealth and Coloroll.

The UK's professional accountancy bodies recognised that there was a "crisis in financial reporting" as long ago as 1987. Sir Ron Dearing, a former chairman of the Post Office, was appointed to assess what ought to be done about it. His report led last summer to the replacement of the Accounting Standards Committee, the old rule-setting body, with a new regime, at the heart of which is the ASB and Prof Tweedie.

Unlike his predecessors on the old committee, Tweedie will not be hamstrung by the intense politics of the accountancy profession. The committee could only issue rules if and when they were approved unanimously by the six rival professional bodies. Tweedie and the ASB can issue rules of their own accord.

Moreover, the new regime has teeth. If companies do not comply with the latest rules, they can be called to appear before a review panel. Those which refuse to accept the panel's ruling can be taken to court where the judge will have the power to force the company to restate its accounts – and to surcharge directors with the costs of the legal action.

Unlike regulators in other parts of the financial services industry, Tweedie clearly relishes the task ahead. At a press conference earlier this year, he spoke with glee about the need to find "someone to hang" at an early stage of the ASB's existence. Moreover, he cares passionately about the corruption of accounting by bad practice.

"Darwin's law does not apply in the world of accounting," he reflects sadly. "The best does not survive. Gresham's law prevails – bad accounting drives out the good."

To illustrate his point, he provides countless examples of accounting sleight of hand. He fulminates about the "creeping crumple" of precedent which means that once one company has got away with a dubious practice, it is impossible to stop all the others following suit.

He castigates merchant bankers for devising schemes which run a coach and horses thorough the spirit of the rules but comply with the letter of the law. He talks angrily about balance sheets being little more than an optional extra in the era of off-balance sheet finance.

There is undoubtedly a Calvinistic streak in Tweedie's personality – he is an elder in the Church of Scotland – but the first trait his friends and colleagues single out is his sense of humour. Highly prized as an after-dinner speaker, he is able to enliven the driest debates on accounting with his jokes.

Sometimes the jokes are misguided, such as the quips about lawyers which he made to an audience of continental European accounting standard-setters – who were largely lawyers.

Sometimes he finishes a talk about some abstruse aspect of off-balance sheet finance and the jokes stay in the mind rather than his substantive points.

Despite his manner, he is far from lightweight. He has had an impressive career spanning both the accounting profession and academe. His formal title indicates that he is still visiting professor of accounting at Bristol University. Before he took up his present job, he was technical partner at KPMG Peat Marwick, the UK's second-largest firm of accountants.

He landed up at Peats by mistake. When, in 1981, he moved from his post as technical director of the Institute of Chartered Accountants of Scotland, he chose to go to Thomson McLintock, a venerable, conservative and Scottish firm where for six years he was national research partner.

In 1987 that firm was taken over by Peat, Marwick, Mitchell. Tweedie was obliged to move to London and is known to have been unhappy at Peats, a rumbustiously commercial firm whose ethos of public school raffishness could not be further from Tweedie's presbyterianism.

Many businessmen harbour memories of the great inflation accounting debate, which pitted industry against the accounting profession for much of the 1970s and early 1980s. The accountants lost that battle amid much criticism that they were unworldly and academic. Despite his professorship, Tweedie is anything but unworldly.

Those finance directors who have had dealings with him commend him for his pragmatism. In putting together his programme of reforms he is acutely aware of the businessman's perspective.

He claims that he would far rather have a workable solution to some knotty technical problem than an elegant but impractical one. In 1988, he sided with industrialists in the battle with the ASC over goodwill accounting, a sensitive issue which the ASB will not be tackling until next year.

At present, there is a fair wind blowing behind Prof Tweedie and his proposals. The Confederation of British Industry and the 100 Group of top UK finance directors are behind him in principle.

It remains to be seen whether they will be behind the detailed reforms, of which this week's package is only the first stage. The balance sheet will be tackled later this year.

His mettle as a crusader is yet to be tested in battle. That battle will come when British businessmen wake up to the magnitude of what Tweedie intends to do.

Peter Norman analyses yesterday's reduction in bank base rates

Last cut for some time

Yesterday's half percentage point cut in British bank base rates really could be the last such easing of monetary policy for some time.

Although the arrival of 12 per cent base rates after the fourth such cut in two months gave the government a long-sought reduction in mortgage rates in good time for the local elections on May 2, underlying inflationary pressures in the economy still cause concern.

Despite recession, power workers' unions have threatened to order industrial action among their 70,000 members if employers do not increase an 8 per cent pay offer. Civil service unions have rejected basic pay rises of between 7.6 per cent and 7.8 per cent while the rail unions' rebuttal of a 6.5 per cent offer has triggered fears of one-day strikes and transport chaos in the south-east.

A summer of discontent may even be in prospect although unemployment is almost certain to keep rising from current levels of about 2m until the end of the year and recovery from recession is unlikely before the third quarter.

There is scant proof so far that wage increases in Britain are adjusting downwards to come to terms with life in the European exchange rate mechanism. True: anecdotal evidence suggests that more employees are accepting wage freezes or deferring wage settlements. Also the Confederation of British Industry this week trumpeted the sharpest fall in manufacturing pay settlements for four years.

But the 8.3 per cent average of pay awards in the first quarter, disclosed in the CBI's latest Pay Databank survey, was still well above the 3-5 per cent norms of the UK's main European trading partners.

From one point of view such wage pressures are an odd background for a base rate cut. In similar circumstances, the German Bundesbank would be sorely tempted to raise interest rates with the aim of forcing managements to take a tough line over pay bargaining.

But Britain is not Germany. One of the many differences between the two countries is that mortgage interest rates have a direct impact on Britain's main measure of inflation, the Retail Prices Index. The RPI is the inflation measure that wage bargainers generally use in negotiations. The lower mortgage rates announced yesterday could therefore have a positive impact on wage bargaining as they will depress May's RPI.

Any such fall in inflationary pressures will come on top of a sharp fall of about two percentage points in April's annual retail price inflation from the 8.2 per cent rate that was announced for March yesterday. A sharp drop in so-called headline inflation this month is virtually guaranteed. Recent mortgage rate cuts will feed through to the RPI at the same time as last year's large increase – caused by the switch from rates to the poll tax – drops out of the index.

But yesterday the authorities were signalling that next month's sharp decline in headline inflation towards the government's target of 4 per cent by the end of the year would certainly not be the signal for further rapid interest rate cuts.

The Bank of England and Treasury have something of a credibility gap to overcome before this message sinks in.

Ever since the latest cycle of base rate cuts began, with a half point reduction from 14 per cent to 13½ per cent two months ago, these two guardians of British monetary policy have been anxious to guide financial markets and commentators into believing that each of the cuts has been carefully weighed and does not presage further reductions.

In fact, base rates have fallen if not like ninepins then in remarkably short order. The 13.5 per cent base rate level lasted just two weeks before the authorities sanctioned a further reduction to 13 per cent. The next half point reduction to 12.5 per cent came just over three weeks later, immediately after Mr Norman Lamont's first Budget. The latest cut to 12 per cent also follows a three-week interval and is the second rate cut in succession to coincide with the announcement of the RPI.

Yesterday's announcement of a substantial reduction in the RPI to an annual 8.2 per cent in March from 8.9 per cent in February provided an obvious justification for a further easing of borrowing costs. There is no doubt that the Bank, the Treasury and their political masters felt equally comfortable with yesterday's interest rate cut.

While meeting an important political need by triggering lower mortgage rates, the rate cut could be fully justified by domestic and external economic circumstances.

In the two months since the first interest rate cut of the current cycle, sterling has risen from the bottom of the ERM grid to be the second strongest currency in the European Monetary System.

At home, there is little doubt that industry and commerce are still in recession. Nobody is yet speaking of recovery although there are growing signs that the deterioration in the economy is slowing down and that the business cycle may be close to bottoming out.

The housing market, which the Bank now watches with a hawk eye for fear of another inflationary price surge akin to that of the late 1980s, is showing only meagre signs of recovery with a minimal increase in prices so far this spring.

When base rates were last cut on March 22, the Bank indicated that it was not opposed to a further half point cut to 12 per cent in the short term. Yesterday's cut was in effect the second instalment of the post-Budget rate reduction.

But if yesterday's cut was predictable – a fact borne out by the scant reaction of financial markets to the news – the future is obscure.

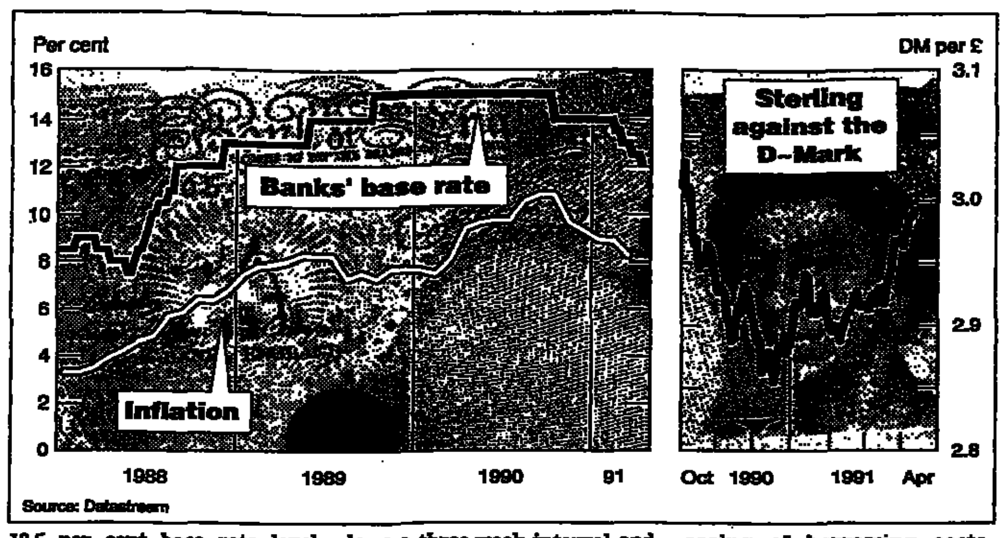
Although monetary policy was progressively tightened between early 1988 and the time of sterling's entry into the ERM last October, the government is still waiting for decisive evidence that underlying inflation is conquered. Indeed, because of the two percentage point fall in interest rates over the past two months and the effects of the Budget tax changes, the various measures of underlying inflation will soon be higher than the the headline inflation rate, as expressed by the RPI.

In the meantime, the overall three percentage point cut in base rates and roughly 2.5 per cent reduction in mortgage rates since October should have built up quite a substantial stimulus in the economy, which the authorities will want to monitor before deciding on further action.

From the point of view of market management, the Bank of England will now want to disabuse the City of any notion that UK interest rate reductions can be simply related to the monthly announcements of the RPI. For this reason alone, a further interest rate cut on or around May 17 when the April inflation data is published is highly unlikely.

On the other hand, officials will have been happy to see the futures markets yesterday anticipating an eventual base rate cut to 11 per cent.

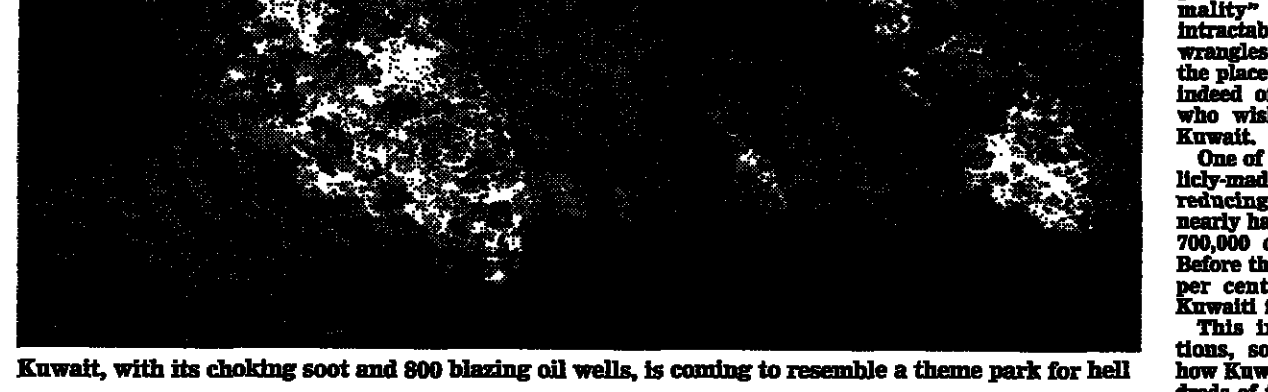
The lesson of the rate cuts so far this year is that the authorities like to lag behind market trends and will be in no hurry to cut base rates further.



Source: Datastream

A monumental mess

Mark Nicholson on the continuing agony of Kuwait


Kuwait, with its choking soot and 800 blazing oil wells, is coming to resemble a theme park for hell

There is no roar of reconstruction in Kuwait City. The lights are back on, the roads are cleared and a few brave shopkeepers have set out their stalls, but by day and by night, this battered, sprawling city is hollow.

In the ravaged city centre, only the Plaza Hotel and three empty-looking shops are having a stab at returning to normal. The streets are deserted, and quiet but for the very occasional clang of a hammer as someone starts to clear out his damaged premises. Broken glass and debris lie everywhere unswept.

Nobody knows the size of the city's present population, with only a few of the hundreds of thousands who fled after last August's Iraqi invasion having returned. But the British engineers who managed to restore power say they planned for a population of 300,000 and can presently supply four times the electricity actually being used.

Until the returnees arrive, Kuwait comprises a host of distinct little villages – of Kuwaitis, Palestinians, Filipinos, US military men, oil well fire-fighters and indeed visiting businessmen – lost in a city built for 2m. And until the Kuwaitis return, and with them thousands of willing labourers, there will not be enough hands to put the country back together again.

Although the structural damage to Kuwait is far less than had been feared – the vandalism to the oil wells apart – the mess is monumental. No street, for instance, is without its stripped, battered and tyreless cars mounted on bricks – a sight so prevalent it could currently serve as Kuwait's national symbol. The Iraqis smashed or stole 500,000 vehicles.

But no simple catalogue of smashed cars, torched buildings or smashed houses can begin to convey the thoroughness of the destruction wrought in Kuwait by the Iraqis. The scale of the oil inferno also beggars description.

Even to say that northern and southern Kuwait are permanently engulfed in oil smoke darkness or that from some stretches of road 50 or more plumes of flame can be counted fails to convey the full force of this disaster.

No one can doubt that the Iraqis intended it to be like this. The chief engineer of the Sheraton Hotel, which was gutted by explosives days before the Iraqis fled, told me that the Iraqi commander who oversaw the torching said to him disappointedly afterwards: "The damage is not enough, the Kuwaitis are rich and will repair this quickly."

Little, however, is happening very quickly. Although the US military civil affairs unit and bomb disposal teams, the US Corps of Engineers and the small teams of early contractors have each accomplished much of their emergency restoration work, the main task has yet to commence.

This is not lost on the Kuwaitis, particularly on the fledgling opposition. No one has drawn encouragement from the fact that the cabinet, which resigned three weeks ago after charges that the government was dragging its feet, has still not been replaced – least of all contract-hunting businessmen.

Nor were opposition groups particularly cheered by the speech last week – his first since returning – of Sheikh Jabar al-Ahmad al-Sabah, the emir. Though he met opposition demands by promising to call an election, it will not be held until late next year, which in many minds will condemn the next cabinet to lame duck status.

But the biggest question mark hangs over the "restoration of stability and normal life" which the emir implicitly made the real precondition for an election. If by "normal" the emir has in mind the restoration of the status quo ante, any Kuwaiti who stayed will tell him he is in for a disappointment.

The word "democracy" is on everyone's lips. "We were not cowed by the Iraqis and we will not now be cowed by the government," said one member of the resistance. Opposition groups appear increasingly sceptical that their resistance to the Iraqis will assure them any political leverage in the new Kuwait.

But there are pressing human problems about returning to "normality" which may prove more intractable than any constitutional wrangles. At the core of these is the place of the Palestinians – and indeed of any other non-Kuwaitis who wish to work in the future Kuwait.

One of the government's few publicly-made commitments so far is to reducing Kuwait's population by nearly half, to ensure that Kuwait's 700,000 citizens are the majority. Before the invasion, they were a 38 per cent minority, according to Kuwaiti figures.

This immediately raises questions, so far unanswered, about how Kuwait will deal with the hundreds of thousands of workers who will be needed to rebuild the economy. A popular assumption is that the government will seek thousands of temporary guest workers entering on limited work permits, mostly single men from Asia.

But businessmen discussing potential contracts say they have received clear signals that they should not consider hiring Palestinians or Jordanians. The complicity with the occupiers of a small percentage of the 180,000 Palestinians who stayed has, it seems, branded all Palestinians in the country *persona non grata* in the new Kuwait.

Those who left, a further 170,000, apparently have no chance of returning. Those who remain, many of whom have lived in Kuwait for 30 or more years and feel deeply bitter that they are now unwelcome in a country they helped build, are saying in increasing numbers that they are looking to leave.

Whether they leave or not – and it is far from clear where they could go – their ostracism would remove the backbone of Kuwait's managerial and technician class: Palestinians ran the banks, the power stations, the ports, the oil industry and most small businesses.

Sorting out which, and how many, willing labourers will be allowed in to help reconstruct Kuwait is among the emirate's most urgent tasks – as urgent as deciding which companies will contract that workforce.

Until this is decided, Kuwait, with its growing lakes of oil, its clouds of choking soot, its minefields and unexploded bomblets, its 800 blazing oil wells, its tonnes of burnt-out tanks and its ravaged buildings, will slip that bit closer to becoming a rather grim theme park for hell.

LETTERS

City must accept risk in deals with local councils

From Mr Peter Prince.

Sir, I note that the City's top establishment figures led by the governor of the Bank of England are lobbying the government to introduce retrospective legislation to overturn the ruling of the House of Lords on the issue of local government swaps.

Many of the financial institutions in the City have been only too ready to invent new and ingenious ways to encourage councils (mostly of the ultra-Left) to circumvent the government's financial constraints.

These mechanisms, such as deferred purchase, offshore companies and advance capital receipts, were all designed with the sole purpose of assisting rate-capped councils to spend more than the government allowed them to, at the expense of their future financial viability.

It seems to me that the City institutions are and were perfectly happy with such dubious deals with local councils provided they were making money out of them. So why are they now complaining when they lose?

After all, they have lost billions of pounds of their shareholders' money on Third World debts and on bad investments in companies such as Polly Peck, British & Commonwealth and Blue Arrow.

I wonder whether the City expects to be bailed out by the government on these much larger losses.

The City is supposed to recognise that risks are involved in financial dealings, and certainly expects companies to suffer if they get them wrong. Why not the banks?

Peter Prince,
leader of the opposition,
London Borough of Hammersmith and Fulham,
Town Hall,
King Street, W6

BT's procedure on VAT unfair

From Mr P. J. Rivett.

Sir, If the comments attributed to British Telecom by your correspondent Hugo Dixon ("BT's extra VAT charge angers phone users", April 10) are to be believed, then the case for reinstating Busby to the board of BT is proven.

Most of us involved in VAT had to retire to the textbooks to check on the procedure for a change in VAT rate, after all, changes are not frequent. Neither are they unknown nor unlegislated for.

The mere fact that past chancellors have said that they do not propose a change in VAT for a particular Budget year must refresh people's minds that VAT can change. Are we expected to believe that the mighty BT, past master at timing calls, identifying calls and changing the call rate per the clock as well as periodic increases of tolls, forgot that VAT could change?

I cannot accept the reported comment that BT admitted it was wrong to charge VAT, yet had it not charged it, it would have been £60m out of pocket. Hard though Vatman is, even he would not demand VAT which was not invoiced to the customer because it would have been wrong (against the law) to have so invoiced.

It seems to me that the rate at which VAT is levied is decided by the basic taxpoint, which in the case of a supply of services is the date the supply was made. Thus for calls made before April 1 1991, the rate is 15 per cent.

There is a rule which could convert the basic taxpoint from supply date to invoice date, but only if the invoice is issued within 14 days of the date on which the supply was made.

If BT were so let down by its computer programmers, why did they not charge out VAT at 15 per cent and then argue with Customs later? I for one can segregate calls, and will do so, paying a lesser amount of VAT and I defy BT to take me to court or interfere with my telephone service.

P.J. Rivett,
13 Warwick Close,
Abingdon on Thames,
Oxon.

Fun flight of fancy in France is not such a cheap jaunt

From Mrs C.M. Bain.

Sir, Many readers wishing to emulate Garry Booth's "Fun flight of French fancy" (April 6/7) will be disappointed to find that, although "the hire cost per hour, including fuel, for a Cessna 172 ought to be about £74 plus VAT", this presumes that the hirer is a qualified pilot.

One might, of course, be lucky enough to find a private pilot willing to take a non-paying passenger on such a flight. For those less fortunate, however, further expenses must be incurred in hiring the services of a professional pilot, who would presumably be unwilling to embark on a journey over water in a single-engined aircraft, such as the Cessna 172.

C.M. Bain,
91 Cheviot View,
Ponteland,
Newcastle upon Tyne

Turn of events has shown forecasters of doom to be talking sense

From Professor Tim Congdon.

Sir, I sometimes wonder whether I am living on the same planet as Mr Brittan. In his "Economic Viewpoint" (April 4) he claims that, "rarely can an economic prognostication have been so quickly falsified by events as that from the 'Liverpool Six' monetarist economists", which warned in a letter to The Times on February 13 that a severe depression was in prospect unless interest rates were reduced. As one of the Six, may I reply?

Since the middle of February the following events have occurred. The clearing banks have announced the largest loan losses in their history and they have reacted by cutting their lending growth to a quarter of the level of three years ago.

Unemployment has risen sharply, with the February increase of 85,600 one of the highest ever. Industrial production has continued to slide, with the latest official figures showing that in the three months to January it fell at an annualised rate of 8 per cent.

Moreover, survey evidence is for further deterioration. The Confederation of British Industry trends surveys for February and March reported much higher numbers of companies about to cut output than last autumn. Has Mr Brittan been reading the same news as us?

Actually the letter to The Times was less a forecast than a warning. We wanted to alert the government to the dangers of keeping base rates at 14 per cent. The government clearly thought that our warning was appropriate and timely, because it has subsequently cut them to 12.5 per cent. Indeed, the first cut came on the very morning of our letter. *Pace* Mr Brittan, rarely can economic advice have been so quickly validated by policy.

But Mr Brittan has one good point, namely that the "monetarists" disagree among themselves about the appropriate monetary indicators to follow. Sir Alan Walters and Professor Minford believe narrow money is the right aggregate to watch, whereas I favour monitoring trends in credit and broad money.

In my view, Sir Alan and Professor Minford's emphasis on narrow money – which undoubtedly had an influence on policy in the late 1980s – was an important reason for official neglect of the extremely rapid growth of credit and broad money in those years. It must therefore take some of the blame for the current high inflation. But Mr Brittan, who was a powerful and much-respected advocate of lower interest rates in early 1988 in order to prevent a rise in the pound, bears an even heavier responsibility.

Your readers may wonder whether forecasts based on close inspection of credit and broad money have been successful in the past few years. The forecasts prepared by my team at L. Messel & Co, and Shearson Lehman were, in fact, the most accurate in this country for both 1987 and 1988, and Martin Wolf kindly referred to the 1988 result in your columns on January 13, 1989.

I have subsequently set up an economic consultancy, Lombard Street Research, which prepares quarterly forecasts with a strong emphasis on monetary variables. Our forecast (in December 1989) was that 1990 would see a 0.4 per cent increase in gross domestic product, 7.4 per cent retail price inflation at the end of the year, a current account deficit of £13.7bn and a rise in unemployment to 2m.

I believe that this forecast also has proved to be closer to the outturn than any other, including those prepared with a very different methodology by the much-vaunted "leading forecasting units".

Despite the UK's participation in the exchange rate mechanism, it was assumed in our most recent forecast (in January) both that base rates would average 12 per cent in the second quarter and that the pound would depreciate against the dollar. No, we do not need to take lessons in economic prognostication from Mr Brittan.

Tim Congdon,
managing director,
Lombard Street Research,
c/o Gerrard & National,
33 Lombard Street,
London EC3

● Samuel Brittan writes: Tim Congdon quotes selectively not only from my article, but from the letter to the The Times (of which he was a co-signatory). This urged leaving the ERM, or at least realigning downwards, to make possible required cuts in interest rates – which in fact have been made quite easily within the ERM framework.

Stiff necks lie ahead for UK finance chiefs

From Mr R.J. Steel.

Sir, The Accounting Standards Board proposals on the reform of financial accounting seem set to turn accounts on their side.

Instead of aiming to recognise costs below the line and income above, the aim will be for revenue to be "continuing" and costs "discontinued". Instead of talking about items above and below the line it will be items on the left or right.

Finance directors throughout the country will be recognisable by heads inclined to one side and their complaints of stiff necks.

R.J. Steel,
assistant general manager, finance,
Skipton Building Society,
High Street,
Skipton
North Yorkshire

Fax service

LETTERS may be faxed on 071-873 5938. They should be clearly typed and not hand-written. Please set the fax machine for fine resolution.

Further provisions push Rosehaugh £50m into red

By Vanessa Houlder, Property Correspondent

ROSEHAUGH, the property company headed by Mr Godfrey Bradman, yesterday announced £53.1m of provisions, which pushed its results for the half year to December 31, 1990 into a £49.67m loss.

The loss compares with a pre-tax profit of £4.86m at the same stage last year and a £165.5m loss for the full year, when the company made provisions of £137m.

Mr Godfrey Bradman, chairman, said the provisions reflected a continuing deterioration in the market place since the autumn. It was, he said, "the worst property market for years".

"Substantial progress has been made over the last 12 months in refocusing the group," he said. "We have high quality assets and outstanding long term development opportunities."

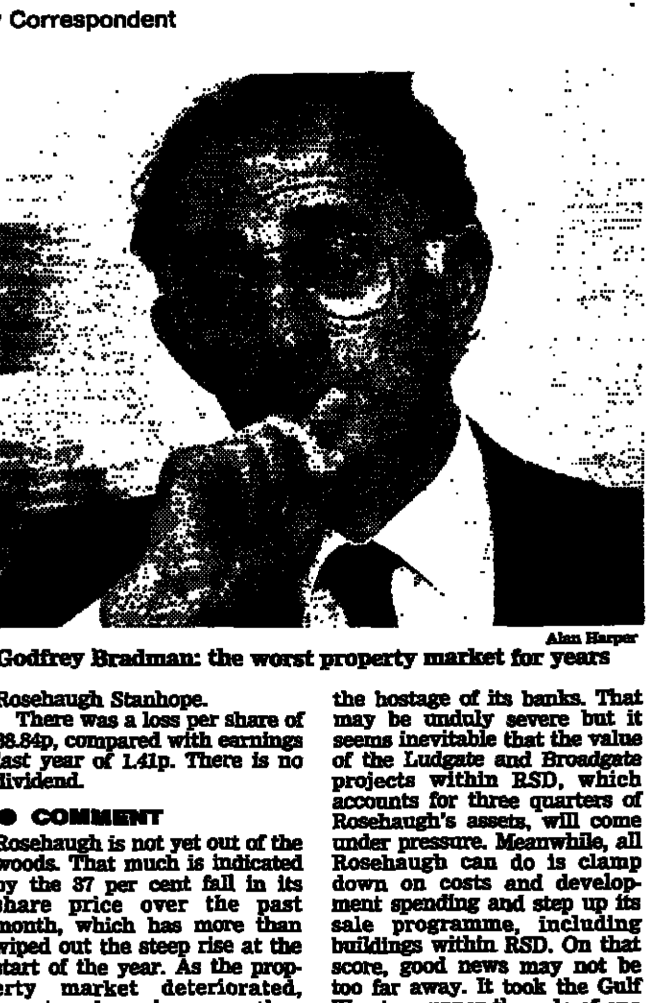
The provisions were made up of £39.2m write-down of trading properties in subsidiaries and a £13.9m write-down of development projects in Rosehaugh Stanhope Developments, its joint venture with Stanhope.

The company made property sales of about £81m in the half year, which left its on-balance sheet borrowings at about £350m – the same as the year end. Mr Bradman said that borrowings were expected to fall in the rest of year, mainly as a result disposals combined with a reduction in development spending.

Overheads have been reduced by about a quarter.

Turnover for the six months totalled £89.37m (£49.15m). The results included a net loss of £5.5m from related companies, after allowing for its share of £13.5m of the operating loss in Rosehaugh Stanhope.

There was a loss per share of 38.84p, compared with earnings last year of 1.41p. There is no dividend.



Alan Harper

Godfrey Bradman: the worst property market for years

● COMMENT

Rosehaugh is not yet out of the woods. That much is indicated by the 37 per cent fall in its share price over the past month, which has more than wiped out the steep rise at the start of the year. As the property market deteriorated, investors have been questioning whether Rosehaugh can make enough sales to keep pace with the shrinking value of its assets. There is acute uncertainty about its net asset value at the year end, which bearish analysts think might halve in value, which would probably make the company the hostage of its banks. That may be unduly severe but it seems inevitable that the value of the Ludgate and Broadgate projects within RSD, which accounts for three quarters of Rosehaugh's assets, will come under pressure. Meanwhile, all Rosehaugh can do is clamp down on costs and development spending and step up its sale programme, including buildings within RSD. On that score, good news may not be too far away. It took the Gulf War to scupper the sale of one of the Broadgate buildings and investors are starting to return to the market. For those who are not too downbeat about the value of properties like Broadgate and Ludgate, Rosehaugh remains a highly geared recovery stock, which could rally strong as interest rates fall.

Sutcliffe refinancing package

By Clare Pearson

SUTCLIFFE Speakman, the troubled environmental engineering and active carbon group, yesterday announced an ambitious and complex refinancing plan involving a £14m net ordinary share placing and conversion into preference shares of £2.62m worth of borrowings and lease purchase payments.

The move should enable it to regain the listing for its shares, suspended last October at 45p.

If it succeeds, 88-year old Sutcliffe will become one of the few companies in the recent spate of corporate failures to be rescued from the brink of receivership.

The company estimates it incurred a post-tax loss of £15.2m, after exceptional and extraordinary items, in the year to end-March, after reporting a £13.3m loss for the opening nine months.

It also plans a complete change of board members, including the departure as non-executive chairman of Mr John Bellak, chairman of Severn Trent Water. Mr Frank Buckley, chairman of BTP, the chemicals and industrial group, is to take over the role.

The refinancing proposals, which result from lengthy negotiations with National Westminster Bank, Sutcliffe's principal lender, will effectively eliminate net debt.

The 150m new ordinary shares to be issued at 10p each will add up to 87 per cent of the enlarged capital. Of these two-thirds are to be taken up by institutions including Harris, a US concern which has conditionally agreed to subscribe for 12m. The balance will be offered to share and warrant holders on a five-for-two basis.

Conditional upon the share issues, up to £2.62m of borrowings and outstanding and future lease purchase payments will be capitalised into new unlisted preference shares.

To eliminate a negative balance of £20m on distributable reserves the company also proposes a reduction in share capital and the share premium account.

Sutcliffe initially hoped last autumn that the sale of its water treatment business and one of its engineering companies, for a combined initial £8.6m including debt, would be enough to save it from receivership. However, Mr Bellak said yesterday "creditor pressure remained intense."

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year
A-Eastern Plants	fin	nil	-	1	nil	2
Dinkie Heel	fin	0.6	July 1	0.6	0.95	0.95
F&C Pacific Inv	fin	1.35‡	May 24	0.9	1.9	1.4
Helene	fin	1.36	July 1	1.36	2.01†	1.97
Jacks (William)	fin	nil	-	1.1	nil	2
Olives Hldgs	fin	6	July 1	6	9	9
W'ford Foods A §	fin	1.45♣	June	1.35	2.5	2.35
W'ford Foods B §	fin	0.525♣	June	0.525	0.525	0.525
Wembley	fin	1.5†	July 1	1.3	2.4	2

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. §USM stock. ‡Includes special non-recurring 0.35p. ♣Irish currency.

LONDON RECENT ISSUES

EQUITIES

Issue Price	Amt Paid up	Latest Renunc. Date	1991 High	1991 Low	Stock	Closing Price	+or -	Net Div	Times Cov'd	Gross Yield	P/E Ratio
†	F.P.	–	61	58	Aberdeen Trust 10p	58		2.5	1.8	5.7	13.1
†	F.P.	–	31	26	Do. A Warrants 10p	28	+2	–	–	–	–
40	F.P.	–	49	43	Alliance Res. 10p	44		–	–	–	–
100	F.P.	–	108	104	Contra-Cyclical Inc 1p	108		–	–	–	–
50	F.P.	–	56	54¼	Do. Zero Div. Prf. 50p	54¼		–	–	–	–
25	F.P.	–	26	22½	Do. Capital	26	+½	–	–	–	–
100	F.P.	–	101	100	Drayton Blue Chip Tst.	101		–	–	–	–
100	F.P.	–	106	105	Do. Zero Prf. £1	105½		–	–	–	–
§100	F.P.	–	95	58	‡Eidos 10p	58		–	–	–	–
–	F.P.	–	18	13	‡Europe Energy 5p	14		–	–	–	–
–	F.P.	–	4025	3475	Eurotunnel Finder. Wrrnts.	3675		–	–	–	–
100	F.P.	–	106	104	Geared Income Inv. Tst.	106	+1	–	–	–	–
–	F.P.	–	165	90	JF Pacific (New Wrrnts)	160		–	–	–	–
–	F.P.	–	9	6	M&I Warrants	9		–	–	–	–
175	100	–	140½	118	National Power	134½	+1	R8.24	2.7	8.2	5.8
175	100	–	140½	112	PowerGen	133	+½	R8.32	2.6	8.2	6.1
50	F.P.	–	45	42	Trio Inv. Trust	42		–	–	–	–
–	F.P.	–	9	6	Do. Warrants	8		–	–	–	–

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1991 High	1991 Low	Stock	Closing Price £	+ or -
-	-	-	86	68	Brent Walker Capital 13pc Cr Cap 84	83	+3
100p	F.P.	-	115p	93p	Evered Bardon 7.25p (Net) Cnv Rd Pf	110p	+1
§	36½p	29/11	38p	30p	‡Greenacre Group Cv. Rd. Prf. 70p	30p	
35	-	-	47½	29½	Grosvenor Securities 8pc Cr Ln 2000	44½	
100p	F.P.	-	103p	80p	Lifestall 9pc Cv. Rd. Prf. £1	102p	
100	F.P.	-	103¾	102	RMC Capital 8¾pc Cnv. Bds. 2006	103¼	
100p	F.P.	-	124p	96p	TT Group 10¾pc Cnv. Red. Prf. 1997	123p	
100	F.P.	-	103½	101¼	Tarmac 9½pc Cnv. Cap. Bds. 2006	102¼	+¼
100p	F.P.	-	144p	97p	Worcester Cm Rd Cr Pf	125p	

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1991 High	1991 Low	Stock	Closing Price p	+ or -
295	Nil	–	50pm	45pm	BPP 10p	45pm	-4
800	Nil	17/6	155pm	94pm	Bass	116pm	+1
220	Nil	–	30pm	25pm	Bellway	25pm	-3
255	Nil	31/5	74pm	60pm	Berkeley Group	74pm	+7
157	Nil	–	4pm	2pm	F & C Eurotrust	4pm	+1
IR£2.75	Nil	–	½pm	¼pm	Gaelic Resources	½pm	
156	Nil	25/4	42pm	32pm	Hartstone 10p	41pm	
90	Nil	–	17pm	7½pm	Ibstock Johnsen	8pm	
A$5.25	Nil	24/5	21pm	13pm	Nat. Australia Bank A$1	15pm	
295	Nil	–	45pm	36pm	Ocean Group	41pm	+4
238	Nil	9/5	38pm	26pm	Persimmon 10p	36pm	-1
10	Nil	8/5	11½pm	5pm	Saatchi & Saatchi 10p	8¼pm	+½
200	Nil	10/5	35pm	21pm	Sage 5p	24pm	+2

a Annualised dividend. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. u Forecast or estimated annualised dividend rate, cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1990-91. H Dividend and yield based on prospectus or other official estimates for 1991. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1991-92. N Dividend and yield based on prospectus or other official estimates for 1992. Q Gross. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. ‡ Offered to holders of ordinary shares as a "rights". † Introduction. § Placing price. †† Reintroduction. ¶ Unlisted securities market. ‡ Issued in connection with reorganisation, merger or takeover. pm Price at a premium.

TRADITIONAL OPTIONS

- First Dealings April 8
- Last Dealings April 19
- Last Declarations July 11
- For settlement July 22

For rate indications see end of London Share Service

Calls in ADT, Atlantic Res., Aviva Pet., Berisford Intl., Brent Walker, Conroy Pet., Control Secs., Elys, Albert Fisher, GEC, Hampson Inds., Medeva, Monument Oil, Next, Rosehaugh, Saatchi & Saatchi, Stakis, Wembley and Whitegate Leis. Puts in Clayform Props. and WPP. Put and call in Tuskar Res.

ADT forces fixed cash dividend on holders

By Richard Gourlay

ADT, the troubled security system and car auction group being sued in a New York court by Laidlaw, its biggest shareholder, has changed its dividend policy to force on shareholders a fixed cash dividend.

The company said that following Laidlaw's vote on April 1 to adjourn a meeting at which a new dividend policy offering a cash option was to be approved, it was imposing a dividend of 3.2 cents per share and scrip issue.

The move appeared timed to derail yesterday's moves by Laidlaw's lawyers to persuade the judge in the New York District Court to accelerate the process of "discovery", in which depositions would be taken from ADT directors and Mr Michael Ashcroft, the ADT chairman.

ADT was seeking approval on April 1 for changes to the by-laws that would have offered a cash option to scrip but would have limited the cash paid out to 30 per cent of the total dividend bill, leaving the balance to be paid in scrip.

The April 1 meeting was adjourned to June 3. Skadden Arps, the US lawyers for Laidlaw, have argued that information supplied by ADT on which shareholders would make their decision was misleading. Depositions from ADT should be taken sooner than usual under anti-fraud statutes to prevent a fraud from taking place, the lawyers argue.

Laidlaw has alleged that ADT and some directors manipulated the company's share price by means of asset sales between ADT and controlled affiliates that led to "an illusory profits stream."

The legal case is continuing against a background of conflicting signals from Mr Donald Jackson, Mr Ashcroft's adversary in the struggle for control of the ADT board.

Meetings in Toronto this week were described by Mr Jackson as cordial. However, Mr Jackson is is understood to be reluctant to drop the New York case until an "honourable" way of dealing with Laidlaw's allegation in New York has been found.

Helene hit by interest charges

Interest payments held back Helene in 1990, and led to the pre-tax profit showing a downturn from £4.11m to £3.78m. Charges were £776,000 (£225,000), net of receipts.

Mr Montague Burkeman, chairman of this ladies' and children's clothing group and textile merchant, said to maintain sales – which rose to £67.85m (£61.94m) – and operating profits – £4.56m (£4.33m) – in such a difficult period justified the policy of having minimal manufacturing plant and using sub-contractors to make the bulk of merchandise.

Earnings per share worked through at 3.7p (4.4p) and the final dividend is 1.36p for a total of 2.01p (1.97p) on increased capital.

Baltica sells Hambros stake

By David Barchard

Baltica, the Danish insurance group, has sold its 14 per stake in Hambros, the City merchant bank, after two years of being given the cold shoulder by the Hambros board.

Baltica made a profit of just under DKK100m (£8.75m) from the sale. Its stake is understood to have been dispersed in the market.

The stake was built up in a series of purchases beginning in March 1989. At one time that to speculation that Baltica, together with Banque Indosuez which owns a 23 per cent stake in the Danish insurance group, might be planning a bid for the group.

It rapidly became clear that Baltica hoped that its stake would entitle it to join Istituto Bancario San Paolo di Torino of Italy, Guardian Royal Exchange of the UK, and Banco de Bilbao Vizcaya of Spain in the Hambros "shareholder's club" alliance in European financial services markets. However, its approaches were rebuffed by Hambros.

"Hambros did not show any interest in co-operation with Baltica and so the main point of the shareholding disappeared. We are not disappointed. That is the rule of the game," said Mr Thoel Gunnerthaard, chief operating officer of Baltica, yesterday.

Baltica announced last November that it was planning to dispose of its share but no single buyer came forward for the shareholding.

Mr Christopher Sporborg, Hambros chairman of group investments, said the bank was neutral on the sale.

Profits not exactly over the moon, Brian

Richard Gourlay on the money and desire to make Wembley 'sweat'

FROM TIME to time Sir Brian Wolfson has considered flooding the pitch at Wembley stadium to stage mock sea battles.

The inspiration for such a desecration of England's national stadium derives not from ancient Roman practice but from Blackpool Tower Circus where, as a boy, Sir Brian watched HMS Ajax, HMS Hood and the Graf Spee slug it out in seven feet of water.

Holders of tickets to tomorrow's FA cup semi-final between Arsenal and Tottenham can take heart that the bluff Liverpudlian is indulging in a flight of fancy before clamouring for refunds.

However it does reflect the kind of flexibility Sir Brian has successfully introduced as chairman of Wembley and his efforts to make the group's west London complex "sweat" as operating assets. The approach helped boost the contribution from the stadium and Arena complex to group operating profits last year by 54 per cent to £8.6m.

Yesterday Wembley reported pre-tax profits for 1990 of £13.2m, up from £11.2m, on sales that nearly doubled to £145m, after an exceptional profit on a sale and lease-back of property of £3.2m.

Long-time watchers of the 68-year-old stadium, resembling something of a building site in recent years, will also notice substantial changes as a five-year investment programme draws to a close.

Last year Wembley spent £20m of its £28m capital expenditure on the complex, upgrading banqueting rooms and suites, installing a computerised ticket reservation system and completing the conversion to an all-seater stadium.

The investment has helped attract an eclectic range of events from the massive pop concerts in the Arena and main stadium to, more recently, the six-game season of the London Monarchs American football team, the American Bowl and the Arsenal/Spurs semi-final.

In addition to greyhound racing, Wembley now hosts 40 major events in the main stadium, double the amount five years ago, and 210 events in the Arena, and has quadrupled to 8m the number of visitors each year.

Sir Brian expects the revamped and expanded exhibition and conference centre to be completed by June, doubling the existing 10,000 sq m of floor space. Although the recession has led to a softening of the market, Sir Brian says the demand for space for small- and medium-sized exhibitions, for which Wembley caters, is holding up.

Thanks to new technology, Sir Brian is confident he can also soon cover the hallowed turf in the stadium and stage outdoor exhibitions, adding a further 15,000 sq m to capacity.

The acquisition of five US greyhound racing tracks in late 1989 for £58m has, in its first contribution, added £30m to turnover and £4.6m to operating profits, complementing the £2.7m from UK tracks.

But the combined impact of the capital expenditure and the acquisitions led to a near doubling of the interest charge to £12.7m and a leap in gearing to 95 per cent. This figure would have been higher had the group not successfully sold and leased back buildings on the complex.

This year Sir Brian expects gearing to fall to about 55 per cent, below the 1989 level, partly because capital expenditure will be limited to £5m. The group will also seek to squeeze more from its property portfolio, currently valued at £270m, and is likely to do further sale and lease-backs this year.

Had property sales been taken as extraordinary credits – this year, for the first time, they are treated as exceptionals – pre-tax profits would have been £8.47m, compared with £8.46m, but earnings per share would have fallen from 6.7p to 5.6p.

Under the new accounting treatment, fully diluted earnings remained at 9.3p.

It has not all been plain sailing for Wembley. The most profitable part of dog racing – the betting – was 10 per cent weaker last year, with the greatest fall-off in the south of England.

Recession also hit the contracting and shopfitting businesses, with operating profit at Meridian falling from £1.7m in seven months to £700,000 for the full year.

But the real damage occurred in the US where orders at Pacer, the electronic ticketing and control systems group, fell off a cliff. Wembley has sold one of Pacer's subsidiaries and is close to concluding the sale of another, Laser-Access, but fully provided for research and development costs in the accounts with a £3.1m extraordinary charge.

Looming on the horizon, like one of Sir Brian's model battleships, is the question of whether the Football Association will renew Wembley's contract as the national stadium after the year 2002, or take the contract elsewhere.

Sir Brian is quietly confident, asking rhetorically which other location could provide an 80,000 all-seat stadium. And if the contract does go elsewhere? Well, Wembley could buy Tottenham and do a deal with Arsenal so that the two leading London clubs played on alternate Saturdays. Or is this another flight of fancy?

RESULTS BY DIVISION (£m)

	Turnover 1990	Turnover 1989	Operating profits 1990	Operating profits 1989
Sport and Entertainment	63.51	34.38	15.03	7.82
Exhibitions and Conferences	5.18	4.56	0.07	1.28
Services to Leisure	73.92	35.05	4.48	3.77
Property	2.62	2.28	1.58	2.28
	145.24	76.27	21.16	15.15

Ivory & Sime pays £1.75m for Argosy Asset Management

By Michiyo Nakamoto

IVORY & SIME, the Edinburgh-based fund management group, is to acquire Argosy Asset Management, the fund management group that had been facing an uncertain future since it lost management of the Merchant Navy Officer's Pension Fund's £1.5bn fund at the end of March.

I&S will pay about £1.75m in cash, representing the net asset value of Argosy of about £1.2m plus £550,000 for goodwill. The acquisition should add £420m to I&S's funds under management, taking the total to approximately £3bn.

The disposal of Argosy to I&S is the latest development in a turbulent series of events surrounding the fund management group, Ensign Trust, Argosy's parent, and the MNOPF, which owns 78 per cent of Ensign.

Late last year the MNOPF announced that it was cancelling its fund management contract with Argosy and proposed that Ensign's £340m portfolio be liquidated. The trustees of the MNOPF had been dissatisfied with the performance of Ensign, which is also managed by Argosy and was heavily biased towards smaller companies. In the year to September 3 1990 Ensign's net asset value had fallen from 111.62p to 85.01p per share.

Argosy then underwent a shake-up, with the resignation in January of two key directors closely involved in the group's investment strategy. It nevertheless failed to win management of any of the five funds which the MNOPF put up for tender in February.

Ensign subsequently convinced the MNOPF that it should be allowed to continue after reducing its dependence on smaller companies.

Mr John Bushell, who was appointed chairman of Ensign earlier this month, said that after key management figures had left Argosy, Ensign had decided that the best way to fill the gap was to hand the entire unit over to a well-established investment trust management group.

I&S will take over management of Ensign's portfolio and is expected to inherit three of Argosy's other management contracts, Turkey Trust, Clydesdale Investment Trust and New Frontiers.

Mr Clive Gilchrist, managing director of Argosy and vice chairman of the NAPF Council, will not be joining I&S. Several investment managers currently at Argosy will.

Waterford Foods static at £11.3m

IN SPITE of static profits in 1990, Waterford Foods, the USM-quoted dairy-based food processor and distributor, said that the year had been one of considerable progress in integrating the 1989 acquisitions.

Reflecting the increased size of the group, turnover rose 57 per cent from I£278.94m to I£439.06m (£392.3m) and the County Waterford-based group said that trading profits leapt 64 per cent I£21.2m (I£12.9m).

However at the pre-tax level profits came out at I£11.3m (I£11.28m). There were "excellent performances" from the fresh dairy products, health foods and Galloway West businesses, but the profitability of the dairy division was severely hit by the worldwide decline in dairy product prices, despite phased reductions in milk prices.

Earnings slipped to 6.26p (7.62p) per share and the directors have proposed raising the final dividend on the "A" shares to 1.45p (1.35p) for a total of 2.5p (2.35p). The proposed final on the "B" shares is a maintained 0.525p.

There was an extraordinary charge of I£1.11m (nil). The company said that operating cash flow came to I£20.7m – 20 per cent up over 1989.

Goodhead sells printer to Hurst for £4.5m

By Michiyo Nakamoto

GOODHEAD, the publishing and printing group, is selling Wiltshire, a cold-set web offset contract printer, to Hurst Publishing, for £4.5m cash.

As it announced the sale, Goodhead also warned that thedifficult trading conditions of the first six months had been exacerbated in the second half, with the group suffering a loss in the third quarter.

Pre-tax profits in the first half had plunged to a quarter of the previous level at £700,000 (£2.75m).

On the news the shares fell 5p to 31p.

Hurst, which publishes the Thames Valley Auto Trader, is acquiring Wiltshire's assets and goodwill but Goodhead will retain its heat-set printing business based in Bristol and working capital of £1.8m.

The extraordinary profit of £1.5m expected to result from the disposal, after tax and expenses, will be used to reduce Goodhead's high level of borrowings, which stood at £15.6m at March 20.

After expenses, borrowings should come down to about £10.2m and gearing would be reduced from more 70 to less than 60 per cent by the year-end.

During the year, the publishing division continued to be hurt by the slowdown in advertising expenditure resulting from the recession and the impact of the Gulf war.

Goodhead had decided that with two operations involved in the extremely competitive market of cold-set web offset contract printing, it was over-dependent on that industry.

Wiltshire already made more than 40 per cent of its turnover from Hurst. Its pre-tax profits of £1.26m in the year to May 31, shrank to £574,000 in the nine months to February 28.

The net assets sold to Hurst had a book value at the end of May of £2.17m.

This year, falling interest rates have led to an improvement in overall turnover, Hurst said.

Costs have been cut and the workforce has been reduced from about 1,000 at the beginning of the year to 550, after the disposal.

The group's printing business has held up relatively well, contributing 70 per cent of profits on 40 per cent of turnover.

Europa rebel shareholder sells holding

By Kenneth Gooding, Mining Correspondent

Mr Richard Hubbard, one of the group of rebel shareholders which unsuccessfully attempted to take over the board of Europa Minerals, the mining finance house, at this week's annual meeting has sold his entire holding in the company for 10p a share compared with yesterday's unchanged market price of 18p.

A colleague said yesterday that Mr Hubbard paid 20p each for his 1.5m Europa shares. "His action speaks for itself. He has no confidence in the present management's ability to dig the company out of the hole it has got into," he added.

Waverley Mining Finance bought 1.4m of the shares to increase its stake in Europa from just over 2 per cent to 5.69 per cent.

Mr William McLucas, Waverley's managing director, said he could identify at least £12.5m-worth of assets in Europa compared with debt of £4.5m. At 10p the market valued Europa at only £3.7m. "If someone offers me £1 for 50p I am too much of a Scot to resist," he said. He did not expect the Europa price "to race back up to 30p" but he expected a steady improvement as the new management became increasingly active.

Waverley also owns 5 per cent of the Burmine gold mining company in Australia in which Europa has a 42 per

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

1/2 hour period ending	Provisional Price for Trading on 13.04.91: Pool purchase price £/MWh	Final Prices for Trading on 10.04.91: Pool purchase price £/MWh	Pool selling price £/MWh
0030	15.92	16.20	16.20
0100	15.92	24.49	26.47
0130	16.27	24.49	26.45
0200	18.46	24.49	26.47
0230	18.74	21.39	23.32
0300	18.74	18.24	20.09
0330	16.29	16.14	16.14
0400	16.27	15.60	15.60
0430	16.24	15.41	15.41
0500	15.92	15.41	15.41
0530	15.88	15.25	15.25
0600	15.81	15.19	15.19
0630	15.81	15.25	15.25
0700	16.23	15.50	15.50
0730	16.24	15.60	15.60
0800	19.28	16.20	16.20
0830	20.59	17.90	19.76
0900	20.59	20.14	22.08
0930	26.91	26.71	28.84
1000	25.81	26.71	28.77
1030	25.91	26.71	28.79
1100	25.91	23.85	25.68
1130	20.29	23.85	25.69
1200	20.08	23.81	25.85
1230	20.08	23.81	25.85
1300	19.74	23.81	25.87
1330	19.28	19.18	21.07
1400	18.91	18.11	18.11
1430	16.24	15.60	15.60
1500	16.24	15.60	15.60
1530	16.24	15.50	15.50
1600	16.24	15.51	15.51
1630	16.24	15.60	15.60
1700	18.91	15.68	15.68
1730	18.91	17.86	19.49
1800	18.91	17.90	19.74
1830	18.91	24.23	26.26
1900	16.24	26.69	28.77
1930	16.24	26.69	28.74
2000	20.99	26.68	28.78
2030	20.99	26.69	26.86
2100	23.11	21.28	23.24
2130	23.11	20.92	22.89
2200	20.99	20.92	22.87
2230	20.99	17.52	19.34
2300	16.24	17.06	18.87
2330	15.88	15.51	15.51
2400	15.79	15.41	15.41

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £16.60/MWh becomes 1.66p/KWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The provisional Pool Purchase Price is subject to revision or correction until final pool prices are determined approximately twenty-four days after the day of trading. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Final pool prices are also capable of revision.

NGC Settlements Limited

NEWS DIGEST

F&C Pacific lifts final payout 11%

F&C PACIFIC Investment Trust is increasing its final dividend by 11 per cent and paying a special non-recurring 0.35p per share, despite a fall in net assets of nearly 24 per cent to 169.3p, from 221.8p, in the year to January 31 1991.

Mr Anthony Foucar, chairman, said "in a difficult year, the portfolio outperformed the stock market indices in all the Far Eastern markets in which it was invested." The net asset value recovered after the year end, rising by 21 per cent to 204.7p per share by March 31, equivalent to total assets of £244.3m.

Mr Foucar added that "the market view is that the first sign of a recovery led by the US economy will be in the second half of 1991 but this condition has already been partially discounted in stock markets. As a result, the fund is not fully invested in equities and the board intends to increase the weighting in international bonds."

Net revenue before tax rose 39 per cent to £4.34m (£3.13m) allowing the directors to pay the non-recurring dividend of 0.35p. Added to the final of 1p, the total dividend was 1.9p (1.4p).

Shell chief's pay rise

The salary paid to Sir Peter Holmes, chairman of Shell Transport and Trading, increased by 17 per cent to £529,360 last year. Shell's earnings per share fell by 10 per cent, while its dividend rose by 9 per cent.

Manpower go ahead

Manpower, the employment group, yesterday announced that it is formally going ahead with its proposed share swap after receiving approval from the US Securities and Exchange Commission.

The move is aimed at redomiciling the company in the US. Shareholders will now be offered the chance to exchange their existing shares for stock in the new US-dominated Manpower Inc.

Dinkie Heel slips

Dinkie Heel reports a 30 per cent decline in profits for 1990, and is "very cautious" on prospects for the first half of the current year.

Mr David Parkes, chairman, said the UK shoe repair trade was short of business, and many customers on the manufacturing side were working short time.

Falling interest rates should help revive activity but it might be some time before that was reflected in a stronger order book, the chairman said.

Turnover in 1990 was held at £7.93m (£7.95m) but margins came under increasing pressure and operating profit fell to £420,000 (£560,000). Interest charge was lower, leaving the pre-tax surplus at £292,000 (£418,000).

Earnings per share fell to 1.6p (2.33p). The dividend is again 0.95p with an unchanged final of 0.6p.

Hay & Robertson

Hay & Robertson, textile merchant, incurred a loss of £136 in the half year to November 30 1990, against a £21,986 profit last time. Turnover, comprising bank interest received, was £3,815, compared with £253,000.

Mr Bernard King, the chairman, said that during the period, the company was unable to find profitable trading opportunities and decided to retain its cash resource on bank deposit.

Since December 1, however, business has improved and sales approaching £75,000 have been achieved at acceptable profit margins, Mr King added.

ECONOMIC DIARY

TODAY: Mr Jan Krzysztof Bielecki, Polish prime minister, attends national conference of the Liberal Democratic Congress in Warsaw.
TOMORROW: National Savings results (March). The finance ministers of the Group of Seven leading industrial countries meet in London. First South African trade delegation visits Moscow (until April 28). Mr Bielecki begins two days of talks in London with the European Bank for Reconstruction and Development.
MONDAY: European Parliament session opens in Strasbourg (until April 19). Inaugural meeting of European Bank for Reconstruction and Development in London expected to include heads of government and finance ministers from Eastern and Western countries. Opening of first private Romanian bank. African-American conference in Abidjan. Conventional forces in Europe talks resume in Vienna. Scottish TUC holds annual congress in Dundee (until April 19). The Economist conference on "The Electricity Industry Post Privatisation" in London.
TUESDAY: Producer price index numbers (March-provisional). US housing starts (March); industrial production and capital use for March. Mr Mikhail Gorbachev, Soviet president, begins four-day visit to Japan.
WEDNESDAY: Public sector borrowing requirement (March). CBI statement on business agenda for the 1990's.
THURSDAY: Index of output of the production industries (February). Labour market statistics: unemployment and unfilled vacancies (March-provisional); average earnings indices (February-provisional); employment, hours, productivity and unit wage costs; industrial disputes. Provisional figures of vehicle production (March). Institutional investment (fourth quarter). US merchandise trade (February). Russian Supreme Soviet begins first session since granting Mr Boris Yeltsin *emergency powers.*
FRIDAY: London and Scottish banks monthly statement (March). Provisional estimates of monetary aggregates (March). US monthly budget statement (March).

FT-ACTUARIES SHARE INDICES

© The Financial Times Ltd 1991. Compiled by the Financial Times Ltd in conjunction with the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section	Friday April 12 1991: Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%)	Est. P/E Ratio (Net)	xd adj. 1991 to date	Thu Apr 11 Index No.	Wed Apr 10 Index No.	Tue Apr 9 Index No.	Year ago (approx) Index No.	1991 High		1991 Low		Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (187)	872.31	-0.6	11.27	5.54	10.88	9.61	877.76	877.72	883.21	845.08	890.04	15/3	675.31	16/1	1038.07 16/7 /87	50.71 13/12/74
2	Building Materials (24)	1130.52	-0.8	11.58	5.48	10.63	5.50	1139.22	1132.51	1138.54	1025.33	1167.75	14/3	911.64	16/1	1381.08 16/7 /87	44.27 11/12/74
3	Contracting, Construction (31)	1378.46	-0.6	10.63	5.72	12.16	15.34	1387.41	1387.07	1393.03	1354.67	1438.66	15/3	1051.83	23/1	1951.50 16/7 /87	71.48 2 /12/74
4	Electricals (10)	2483.51	+1.9	10.58	5.39	11.67	13.27	2438.33	2420.88	2433.16	2377.51	2495.28	3 /4	1837.98	22/1	3040.80 8 /9 /89	84.71 25/6 /62
5	Electronics (26)	1849.04	-1.1	8.47	4.82	15.69	3.12	1869.45	1883.67	1883.36	1781.34	1958.19	15/3	1478.08	16/1	2308.22 19/5 /89	1229.01 8 /10/85
6	Engineering-Aerospace (8)	458.88	-0.2	15.27	5.45	7.91	8.86	459.94	458.94	469.23	441.14	469.23	9 /4	380.48	16/1	502.42 13/6 /90	380.48 16/1 /91
7	Engineering-General (47)	461.63	.....	12.45	5.68	9.70	6.28	461.88	461.93	466.13	464.61	468.00	5 /4	339.57	23/1	505.10 15/6 /90	339.57 23/1 /91
8	Metals and Metal Forming (8)	486.86	-0.7	18.74	7.09	6.59	0.59	490.35	491.45	501.78	481.56	509.18	3 /4	381.44	16/1	596.67 9 /10/87	49.65 6 /1 /75
9	Motors (13)	352.96	-1.2	12.20	6.77	9.72	6.55	357.09	353.30	352.71	344.98	360.54	14/3	266.43	16/1	411.42 13/10/87	19.91 6 /1 /75
10	Other Industrial Materials (20)	1547.81	-0.9	9.28	5.23	12.73	28.92	1562.09	1568.83	1575.01	1561.33	1589.92	4 /4	1147.76	16/1	1881.53 18/8 /89	277.55 15/1 /81
21	CONSUMER GROUP (185)	1472.27	-0.1	8.33	3.62	14.88	9.69	1473.37	1464.88	1467.56	1208.47	1480.99	5 /4	1188.45	16/1	1480.99 5 /4 /91	61.41 13/12/74
22	Brewers and Distillers (22)	1784.82	-0.3	9.01	3.63	13.68	14.76	1789.34	1769.73	1767.76	1402.22	1816.09	14/3	1478.24	25/1	1816.09 14/3 /91	69.47 13/12/74
25	Food Manufacturing (20)	1204.56	+0.1	9.39	4.05	13.11	15.95	1203.36	1204.57	1206.23	1052.10	1210.94	5 /4	1013.60	16/1	1220.42 4 /9 /89	59.67 11/12/74
26	Food Retailing (16)	2851.63	+0.5	7.67	2.73	17.04	4.34	2837.37	2827.09	2824.42	2246.09	2851.63	12/4	2259.53	2 /1	2851.63 12/4 /91	54.25 11/12/74
27	Health and Household (21)	3232.92	-0.3	6.29	2.62	18.90	17.97	3242.41	3200.61	3222.91	2547.67	3300.52	5 /4	2454.93	16/1	3300.52 5 /4 /91	175.38 28/5 /80
29	Hotels and Leisure (21)	1366.33	-0.7	10.14	5.05	11.60	9.39	1375.49	1367.61	1370.69	1358.13	1399.64	14/3	1066.91	25/1	1845.77 8 /9 /89	54.83 9 /1 /75
30	Media (24)	1513.16	+0.1	9.16	4.47	13.75	14.07	1511.48	1508.69	1509.60	0.00	1513.16	12/4	1166.91	16/1	1513.16 12/4 /91	1166.91 16/1 /91
31	Packaging, Paper & Printing (16)	683.94	+0.1	8.16	4.82	15.32	5.03	683.01	680.34	680.45	565.72	683.94	12/4	486.96	16/1	739.48 16/7 /87	43.46 6 /1 /75
34	Stores (34)	929.93	+0.1	8.94	3.88	14.51	2.21	929.02	930.42	930.89	731.26	932.43	5 /4	766.89	29/1	1160.58 29/7 /87	52.63 6 /1 /75
35	Textiles (11)	542.40	-0.6	9.79	5.94	12.89	2.61	545.69	547.63	549.26	483.93	563.46	3 /4	396.58	28/1	914.52 2 /10/87	62.66 11/12/74
40	OTHER GROUPS (108)	1215.24	-0.7	9.89	4.97	12.36	8.15	1223.96	1223.16	1225.29	1120.28	1228.91	5 /4	961.05	16/1	1233.52 3 /1 /90	58.63 6 /1 /75
41	Business Services (13)	1219.87	-1.0	11.03	4.87	11.10	2.85	1231.93	1233.29	1232.16	0.00	1233.29	10/4	892.28	1 /2	1233.29 10/4 /91	892.28 1 /2 /91
42	Chemicals (21)	1260.86	-1.2	9.25	5.68	12.39	23.53	1276.48	1272.52	1271.66	1187.93	1292.04	6 /3	1004.01	16/1	1545.46 5 /10/87	71.20 1 /12/74
43	Conglomerates (10)	1524.22	-1.5	11.00	6.74	10.86	10.66	1547.48	1554.07	1564.96	1581.41	1626.42	14/3	1217.37	16/1	1819.46 11/8 /89	975.19 10/11/87
44	Transport (14)	2203.98	+0.6	11.12	4.69	10.96	6.97	2191.72	2199.39	2218.47	2165.26	2242.31	3 /4	1730.87	23/1	2554.69 12/7 /89	90.80 29/6 /62
45	Electricity (14)	1180.95	+0.1	11.74	5.65	10.67	0.00	1179.86	1167.24	1158.69	0.00	1181.24	14/3	994.96	7 /1	1181.24 14/3 /91	994.96 7 /1 /91
46	Telephone Networks(4)	1453.08	-0.7	9.15	3.44	14.22	0.00	1463.69	1461.63	1466.02	1106.41	1466.02	9 /4	1085.95	16/1	1466.02 9 /4 /91	517.92 30/11/84
47	Water(10)	2512.44	-0.4	13.50	5.58	8.28	39.69	2523.62	2505.29	2498.09	1857.89	2523.62	11/4	2134.83	16/1	2523.62 11/4 /91	1820.20 1 /5 /90
48	Miscellaneous (22)	1888.87	-0.8	6.39	4.94	19.90	21.39	1904.99	1916.03	1919.30	1778.76	1946.79	5 /4	1506.17	16/1	2087.06 11/7 /89	60.39 6 /7 /75
49	INDUSTRIAL GROUP (488)	1247.26	-0.4	9.43	4.44	13.05	9.39	1252.15	1248.44	1251.83	1103.56	1259.44	5 /4	991.97	16/1	1273.71 5 /9 /89	59.01 13/12/74
51	Oil & Gas (20)	2416.85	+0.9	10.79	5.51	12.07	38.85	2395.35	2376.02	2384.45	2245.14	2430.29	12/3	2101.45	21/1	2528.70 3 /8 /90	87.23 29/5 /62
59	500 SHARE INDEX (508)	1346.62	-0.2	9.61	4.58	12.91	11.66	1349.66	1344.78	1348.57	1198.79	1356.60	5 /4	1092.04	16/1	1369.88 16/7 /87	63.49 13/12/74
61	FINANCIAL GROUP (97)	842.00	+0.2	-	5.60	-	15.07	840.00	834.84	841.37	799.92	859.94	15/3	667.36	16/1	896.67 13/10/87	55.88 13/12/74
62	Banks (9)	947.08	+0.6	7.75	5.80	18.74	21.93	941.46	933.51	940.61	866.26	950.35	14/3	695.08	15/1	950.35 14/3 /91	62.44 12/12/74
65	Insurance (Life) (7)	1557.97	+0.8	-	5.31	-	38.87	1545.82	1540.24	1551.77	1274.44	1612.93	15/3	1220.74	16/1	1612.93 15/3 /91	44.88 2 /1 /75
66	Insurance (Composite) (6)	700.61	-0.3	-	6.26	-	11.60	702.69	697.76	705.33	653.66	728.27	15/3	572.52	16/1	768.11 29/12/89	43.96 13/12/74
67	Insurance (Brokers) (8)	1178.71	-0.5	6.21	5.70	20.98	20.10	1184.60	1174.88	1175.63	1042.32	1202.38	5 /4	932.88	23/1	1399.56 17/7 /87	65.86 16/12/74
68	Merchant Banks (7)	424.82	+1.1	-	4.77	-	3.90	420.12	422.31	427.91	452.50	448.97	15/3	327.70	16/1	547.59 12/10/87	31.21 7 /1 /75
69	Property (40)	1021.58	-0.3	6.35	4.58	21.47	3.69	1025.08	1018.99	1025.29	1149.00	1087.65	15/3	926.54	16/1	1398.87 5 /9 /89	56.01 20/4 /65
70	Other Financial (20)	288.62	-0.5	9.67	6.26	12.75	3.59	289.95	290.80	293.13	312.60	298.63	15/3	236.37	16/1	603.48 16/7 /87	33.29 17/12/74
71	Investment Trusts (69)	1214.06	+0.2	-	3.39	-	10.52	1212.13	1205.50	1211.98	1141.86	1220.31	15/3	947.19	16/1	1323.81 4 /1 /90	71.12 13/12/74
99	ALL-SHARE INDEX (666)	1222.89	-0.1	-	4.69	-	12.18	1224.72	1219.80	1224.17	1101.24	1232.32	5 /4	987.46	16/1	1238.57 16/7 /87	61.92 13/12/74

	Index No.	Day's Change	Day's High (a)	Day's Low (b)	Apr 11	Apr 10	Apr 9	Apr 8	Apr 5	Year ago	1991 High		1991 Low		Since Compilation High	Since Compilation Low
FT-SE 100 SHARE INDEX‡	2526.1	-5.5	2541.7	2521.2	2531.6	2518.8	2527.2	2529.9	2545.3	2222.1	2545.3	5 /4	1990.2	28/9	2545.3 5 /4 /91	986.9 23/7 /84

FIXED INTEREST

	PRICE INDICES	Fri Apr 12	Day's change %	Thu Apr 11	Accrued interest	xd adj. 1991 to date
	British Government					
1	Up to 5 years (28)	120.88	+0.03	120.85	1.68	3.52
2	5-15 years (30)	132.02	-0.16	132.39	2.07	4.02
3	Over 15 years (8)	139.42	-0.35	139.90	1.65	4.05
4	Irredeemables (6)	156.28	+0.08	156.16	3.93	1.50
5	All stocks (72)	130.76	-0.11	131.00	1.94	3.88
	Index-Linked					
6	Up to 5 years (1)	157.91	+0.02	157.88	-0.29	2.72
7	Over 5 years (10)	147.21	+0.07	147.11	0.82	1.16
8	All stocks (11)	148.06	+0.07	147.96	0.79	1.21
9	Debs & Loans (54)	109.93	+0.05	109.88	2.32	2.65

	AVERAGE GROSS REDEMPTION YIELDS		Fri Apr 12	Thu Apr 11	Year ago (approx.)	1991 High		1991 Low	
	British Government								
1	Low	5 years	9.11	9.13	11.80	10.14	16/1	9.11	12/4
2	Coupons	15 years	9.52	9.51	11.40	10.24	2 /1	9.46	19/2
3	(0%-7¾%)	20 years	9.64	9.63	11.28	10.26	2 /1	9.53	14/2
4	*Medium*	5 years	*10.19*	*10.15*	*13.00*	*11.15*	*2 /1*	*10.04*	*20/2*
5	Coupons	15 years	10.00	9.95	11.91	10.62	2 /1	9.84	14/2
6	(8%-10¾%)	20 years	9.95	9.90	11.46	10.50	2 /1	9.78	14/2
7	High	5 years	10.32	10.29	13.11	11.25	2 /1	10.20	19/2
8	Coupons	15 years	10.16	10.11	12.21	10.80	2 /1	9.98	14/2
9	(11%-)	20 years	10.10	10.05	11.73	10.67	2 /1	9.90	14/2
10	Irredeemables†		9.93	9.93	11.27	10.48	31/12	9.83	14/2
	Index-Linked								
11	Inflation rate 5%	Up to 5yrs.	3.74	3.73	4.81	4.19	2 /1	3.59	18/1
12	Inflation rate 5%	Over 5 yrs.	4.10	4.10	4.17	4.22	19/3	4.09	18/2
13	Inflation rate 10%	Up to 5 yrs.	2.82	2.93	3.74	2.93	11/4	2.13	21/2
14	Inflation rate 10%	Over 5 yrs.	3.90	3.92	3.98	4.05	19/3	3.90	12/4
15	Debs &	5 years	11.86	11.86	16.40	12.63	9 /1	11.84	2 /4
16	Loans	15 years	11.64	11.64	14.37	12.38	18/1	11.61	4 /3
17		25 years	11.43	11.43	13.59	12.16	18/1	11.40	1 /3

‡Opening index 2536.2; 9 am 2521.4; 10 am 2531.7; 11 am 2529.9; Noon 2526.1; 1 pm 2528.1; 2 pm 2534.2; 2.30 pm 2535.2; 3 pm 2541.3; 4.10 pm 2527.2; (a) 2.56pm (b) 9.01am

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Business Services	31/12/90	999.65	Telephone Networks	30/11/84	517.92	Food Manufacturing	29/12/67	114.13
Electricity	31/12/90	999.65	Electronics	30/12/83	1646.65	Food Retailing	29/12/67	114.13
Media	31/12/90	1228.68	Other Industrial Materials	31/12/80	287.41	Insurance Brokers	29/12/67	96.67
Engineering - Aerospace	29/12/89	486.00	Health/Household Products	30/12/77	261.77	All Other	10/4/62	100.00
Engineering - General	29/12/89	486.00	Other Groups	31/12/74	63.75	British Government	31/12/75	100.00
Water	29/12/89	1968.45	Industrial Group	31/12/70	128.20	Do. Index-linked	30/4/82	100.00
Conglomerates	31/12/86	1114.07	Other Financial	31/12/70	128.06	Debs & Loans	31/12/77	100.00

† Flat yield. A list of constituents is available from the Publishers, The Financial Times, Number One, Southwark Bridge, London SE1 9HL. The FT-ACTUARIES SHARE INDICES SERVICE includes details of the information used in the construction of these indices. These are available by subscription from FINSTAT, 071-925 2323.

LONDON TRADED OPTIONS

Option		Calls Apr	Calls Jul	Calls Oct	Puts Apr	Puts Jul	Puts Oct
Allied Lyons (*523)	500	30	42	58	2½	17	22
	550	3	18	33	30	47	48
	600	1	7	16	79	85	87
ASDA (*135)	120	17	22	24	1	3	5
	130	7½	14	18	2½	5	8½
	140	2	8	12	7	11	14
Brit. Airways (*158)	140	20	23	25	1	6½	7½
	160	4	9	14	6	15	18
	180	1	4	9	23	33	33
SmKl Beecham A (*806)	700	113	128	145	1	5	11
	750	63	87	107	2	13	22
	800	22	54	75	12	30	40
Boots (*380)	330	52	59	66	1	5	6
	360	23	33	44	2	12	15
	390	5	17	28	14	25	28
B.P. (*348)	330	21	31	37	1½	8½	13
	360	2½	14	21	15	21	28
	390	½	-	-	42	-	-
British Steel (*138)	130	9½	16	16	1	5½	7½
	140	2½	7½	10½	5½	11	12
	160	1	3	5	23	26	27
Bass (*931)	880	62	88	107	2	18	24
	929	23	54	75	14	40	44
	977	5	32	50	47	70	75
C & Wire (*536)	500	42	57	75	1½	15	22
	550	5½	27	47	20	37	42
	600	1	-	-	67	-	-
Courtaulds (*403)	360	46	52	60	1	6	10
	390	18	30	41	4½	15	21
	420	3½	15	26	20	32	36
Com. Union (*523)	460	65	85	89	1	4	9
	500	30	53	32	3	13	20
	550	3	24	33	28	37	42
Fisons (*478)	420	56	68	81	1	5	7½
	460	19	38	53	5	16	20
	500	2	20	32	30	36	41
GKN (*367)	330	41	54	57	1	6	13
	360	14	33	38	5	17	25
	390	3	17	25	26	34	42
Grand Met. (*814)	750	69	97	116	1½	15	23
	800	25	61	84	8	32	42
	850	5	35	58	40	58	65
I.C.I. (*1048)	1000	59	102	120	4	22	35
	1050	22	72	89	17	38	57
	1100	6	45	69	52	67	82
Kingfisher (*497)	420	81	87	93	1	5	10
	460	43	52	66	2½	11	17
	500	36	32	43	22	28	33
Ladbroke (*290)	280	9½	24	34	6½	14	22
	300	2½	14	23	19	25	33
	330	1	-	-	50	-	-
Land Secur (*538)	500	42	52	58	2	8	13
	550	6½	19	32	18	34	35
	600	1	6½	14	63	72	73
M & S (*262)	260	8	16½	26	5	13	16
	280	-	8½	15½	-	26	27
Sainsbury (*391)	360	34	44	55	1½	6½	10
	390	9	23	35	6½	18	21
Shell Trans. (*498)	460	43	62	70	2	7	14
	500	9	33	42	10	20	27
Storehouse (*117)	110	10	13	18	2½	7	9
	120	3	9½	12	6½	11	13
Trafalgar (*252)	240	19	25	36	3½	16	19
	260	6½	17	24	11	27	32

Option		Calls Apr	Calls Jul	Calls Oct	Puts Apr	Puts Jul	Puts Oct
Utd Biscuits (*382)	360	25	40	50	2	7	12
	390	4½	22	30	12	20	23
Unilever (*765)	750	26	57	83	8	20	27
	800	3½	32	52	37	47	50
Ultramar (*330)	330	8	25	33	7	16	22
	360	2½	11	20	32	37	38
Option		**May**			**May**		
Elec. Pkg. (*2043)	1850	250	-	-	35	-	-
	1900	190	-	-	50	-	-
Southern Elec (*197)	160	40	-	-	1½	-	-
	180	22	-	-	2½	-	-
Option		**May**	**Aug**	**Nov**	**May**	**Aug**	**Nov**
Brit Aero (*633)	600	53	80	90	11	22	32
	650	25	45	62	37	47	55
BAA (*428)	420	25	37	49	9	20	23
	460	6	20	27	37	40	43
BAT Inds (*703)	700	32	53	68	19	35	45
	750	12	30	45	52	64	67
BTR (*404)	390	27	43	50	8	14	18
	420	12	26	32	23	27	32
Brit Telecom (*365)	360	19	28	37	8	16	18
	390	5	13½	22	27	32	35
Cadbury Sch (*391)	390	19	34	43	11	18	22
	420	6	19	28	32	34	37
Eastern Elec (*186)	160	30	32	31	2	5	7
	180	13	18	19	5	14	16
Guinness (*914)	900	47	80	97	22	33	42
	950	21	50	70	47	55	62
GEC (*205)	200	13	17	22	4	11	13
	220	4	7½	13	16	23	24
Hanson (*221)	220	10	16½	23	5½	11	13
	240	3½	9	14	20	24	25
LASMO (*353)	330	35	48	58	6	12	15
	360	15	30	40	16	25	26
Lucas Inds (*166)	160	13	20	27	4½	8	12
	180	5	11	17	17	20	23
P & O (*610)	600	20	39	49	22	32	40
	650	5	20	27	62	67	72
Pilkington (*199)	180	25	27	32	3	9	12
	200	10	16	21	9½	18	21
Prudential (*242)	240	12	24	27	8½	12	16
	260	5	11½	17	20	23	27
Racal (*230)	220	18	25	34	6	10	13½
	240	8	17	24	16	22	23
R.T.Z. (*550)	550	26	47	58	19	28	33
	600	8	24	35	53	57	62
Scot. & New (*387)	360	37	45	52	4½	11	15
	390	15	25	32	16	22	27
Tesco (*288)	280	12	23	28	7	11	13
	300	4½	13	20	19	22	25
Thames Water (*316)	300	25	30	33	5½	13	16
	330	6	13	18	19	30	32
Option		**Apr**	**Jul**		**Apr**	**Jul**	
STC (*320)	300	-	-	-	¼	¼	-
	330	¼	-	-	-	-	
Option		**Jun**	**Sep**	**Dec**	**Jun**	**Sep**	**Dec**
Abbey Nat. (*286)	260	34	40	47	2½	6	7½
	280	20	26	35	8	12	14
Amstrad (*79)	70	13	18	20	2	4½	6
	80	6½	11	14½	6	8	11
Barclays (*472)	420	62	77	85	6	13	17
	460	32	45	60	16	26	30

Option		Calls Jun	Calls Sep	Calls Dec	Puts Jun	Puts Sep	Puts Dec
Blue Circle (*262)	260	14	23	28	17	21	25
	280	7	14	20	31	34	36
British Gas (*244)	240	15	19	25	6½	13	14
	260	7	9½	15	18	27	25
Dixons (*189)	180	20	25	31	6	12	14
	200	9	15	18	15	23	24
Eurotunnel (*475)	460	60	82	99	25	38	43
	500	35	58	80	47	55	65
Glaxo (*1090)	1050	87	124	142	23	40	45
	1100	58	94	114	44	60	67
Hawker Sidd. (*607)	550	73	90	95	15	25	32
	600	37	60	70	37	47	55
Hillsdown (*261)	260	15	25	33	18	21	26
	280	7	15	23	32	34	38
Lonrho (*274)	260	26	31	39	6	11	14
	280	14	19	28	14	20	23
Midland Bk (*225)	220	19	27	33	13	18	22
	240	10	17	24	23	28	31
National Power (*134)	130	12	14	-	5	10	-
	140	5½	8½	-	9½	16	-
Reuters (*873)	850	77	105	128	33	53	63
	900	50	78	105	58	75	85
R. Royce (*175)	160	22	28	32	3½	6	7
	180	9½	16	20	10	14	16
Sears (*90)	90	6	8	9	7½	9½	10
	100	2	4	5½	16	17	18
THF (*273)	260	18	27	32	9	13	15
	280	8	18	22	20	23	25
Thorn EMI (*724)	700	57	59	66	14	31	36
	750	28	34	45	38	58	63
TSB (*161)	140	25	26	30	2	4	4½
	160	10	14	18	7½	11	12
Vaal Reefs (*$57)	50	11	12	14	3½	5½	6
	60	5½	8	10½	8½	10	12
Wellcome (*531)	500	57	77	90	15	26	32
	550	29	50	64	40	50	55

EURO FT-SE INDEX (*2527)

	2325	2375	2425	2475	2525	2575	2625	2675
CALLS								
Apr	210	172	115	72	38	18	7	-
May	226	183	141	105	73	45	27	19
Jun	245	-	165	-	98	-	51	-
Sep	295	-	223	-	160	-	110	-
Dec	340	-	270	-	210	-	157	-
Mar	387	-	318	-	259	-	199	-
PUTS								
Apr	3	5	10	15	32	61	101	
May	10	14	22	34	52	78	107	162
Jun	15	-	30	-	61	-	114	-
Sep	30	-	52	-	87	-	130	-
Dec	55	-	85	-	108	-	145	-
Mar	70	-	95	-	130	-	164	-

FT-SE INDEX (*2527)

	2300	2350	2400	2450	2500	2550	2600	2650
CALLS								
Apr	239	190	143	98	58	28	12	4
May	250	205	162	122	87	59	38	21
Jun	268	225	183	145	113	85	60	45
Jul	287	245	205	170	135	105	82	60
Dec †	360	-	290	-	223	-	165	-
PUTS								
Apr	2½	4	5½	11	24	49	85	132
May	9	12	17	28	45	70	103	139
Jun	13	19	27	38	55	77	110	147
Jul	20	28	38	52	68	90	118	153
Dec †	45	-	71	-	108	-	155	-

April 12 Total Contracts 22,230
Calls 14,517 Puts 7,713
FT-SE Index Calls 2,850 Puts 1,930
Euro FT-SE Calls 254 Puts 148
*Underlying security price. † Long dated expiry mths
Premiums shown are based on offer prices.

INTERNATIONAL COMPANIES AND FINANCE

Toshiba in marketing and joint venture deal with GE

By Robert Thomson in Tokyo

TOSHIBA Corporation, the Japanese electronics company, yesterday announced a wide-ranging agreement with the General Electric Company (GE) of the US for the joint development and marketing of home appliances and the establishment of two joint venture companies.

The agreement comes as leading Japanese exporters are attempting to bolster their ties with US industry for fear of a surge in protectionism and anti-Japanese sentiment that could lead to restrictions on trade.

A Toshiba official said "we cannot say political and trade factors are not important", but he maintained the agreement will have positive consequences for both companies and involve research on new technologies. The companies will establish an equally-owned Singapore joint venture company, GE Toshiba Appliances, with an initial capital of $365,000, and a Tokyo marketing company, GE Appliances Japan, with an initial capital of $3.5m, of which GE will have a 51 per cent share, Toshiba 41 per cent, and GE Toshiba Appliances 8 per cent.

Toshiba said that the Tokyo marketing company will handle sales of appliances such as refrigerators, washing machines and dishwashers made in the UK by General Domestic Appliances, a 50-50 joint venture between GE and GEC of the UK.

"There is tendency among some Japanese consumers to buy larger appliances, for their homes, and this new company will handle these bigger items which we do not make," a spokesman for the Japanese company said.

After the Second World War in the Pacific ended in 1945, GE became the largest shareholder in Toshiba and transferred technology to the Japanese company, but the GE shareholding fell from about 10 per cent in March 1981 to 0.5 per cent in 1987 and is now negligible.

A GE spokesman said the new agreement is "designed to increase the competitiveness of both companies", and his company would benefit from Toshiba's marketing expertise within Japan. He said the two would launch research projects in refrigeration technology, electronic controls, and environment-related technologies.

Japanese ready to aid Chrysler

By Robert Thomson in Tokyo

MITSUBISHI Motors Corporation (MMC), the Japanese car maker, said yesterday it is preparing to assist Chrysler, the US vehicle maker, and signalled serious concern at recent calls by US automobile makers for limits on sales by Japanese companies.

MMC and Chrysler established a US joint venture company, Diamond Star Motors, in 1985, and the Japanese company is considering a significant injection of capital into Diamond Star, as well as taking a larger burden of costs for a new jointly-developed model and deferring royalty payments due from Chrysler.

An MMC spokesman said that "we want to help Chrysler through its difficult situation as much as we can", but the terms of that assistance are still under discussion. He said that reports in the Japanese press that a final package would total between Y25bn ($181m) and Y30bn were inaccurate.

Meanwhile, two other Japanese car makers, Mazda and Toyota, yesterday reflected their concerns about US attitudes to Japanese cars by announcing, respectively, a plan to increase purchases of US-made semiconductors and the purchase of a US-made, seven-seater aircraft.

MMC officials were particularly annoyed by the recent attempts of Mr Lee Iacocca, Chrysler's chairman, to have a limit placed on the Japanese share of the US car market, including cars made in the US by Japanese companies. MMC officials had hoped that the close relationship with Chrysler would have encouraged the US executive to be less hostile, despite the downturn in the US automobile market.

Mr Hirokazu Nakamura, MMC's president, told the Financial Times that "Chrysler's situation is not so good", and while past joint development projects have helped the US company, it "still has some rigidity".

"Mr Iacocca has been saying various things, and I don't want to criticise him because he is our partner and they are getting the benefits of our technology. But I have to query him when he says our cars that are made in the US are Japanese cars. They are American cars," Mr Nakamura said.

Reports have circulated in Japanese brokerages that financial pressures could force Chrysler to sell some or all of its 10.2 per cent stake in MMC, which would loosen ties between the two. MMC is part of the Mitsubishi family of companies, of which Mitsubishi Heavy Industries has the largest stake, 25.7 per cent.

Axel Johnson pays SKr767m for Priab

By John Burton in Stockholm

AXEL JOHNSON, the Swedish trading group, has strengthened its position in the Swedish retail sector through its SKr767m ($126m) cash acquisition of Priab, which operates 500 Pressbyran kiosks and convenience stores.

Axel Johnson will also acquire the outdoor advertising company Wennergren-Williams and the computer consultants Enator.

The sale comes as Priab's four biggest shareholders, all of them newspaper and magazine publishers, face falling profits due to a drop in advertising revenues.

The four publishers – Bonnier, Aftonbladet, Marieberg, Svenska Dagbladet – hold a combined voting stake of 76 per cent in Priab and have accepted the bid.

Axel Johnson owns Ahlens, Scandinavia's largest department store chain, as well as the consumer products wholesaler Dagab, the supermarket chain Hemkop, and the hypermarket group B&W.

Pressbyran outlets are a common sight in Swedish town and cities. They are often in train and underground railway stations and provide half of Priab's sales of SKr3.2bn in 1990. Priab had breakeven earnings last year.

The addition of Enator, in which Priab holds a 66 per cent voting stake, will also double the sales of Axel Johnson's computer operations to SKr3bn.

Axel Johnson will partially finance the bid by selling Priab's property subsidiary, Prifast, which is expected to produce a pre-tax gain of SKr390m. The deal will also strengthen Axel Johnson's control over AxTrade, the listed trading group, in which Priab has 11.9 per cent of voting rights. The inclusion of Priab's share will raise Axel Johnson's voting stake in AxTrade to 86.5 per cent.

First-quarter net earnings at IBM down 50%

By Louise Kehoe in San Francisco

INTERNATIONAL Business Machines, the computer group, reported first-quarter losses after special charges. Operating income was below last year's performance, but in line with expectations.

Worldwide revenue for the quarter was $13.5bn, down 4.5 per cent from the same period last year. Net earnings from operations for the three months were $500m, half of the $1bn earned in the first quarter of 1990. Per-share operating earnings were 93 cents compared with $1.81 in 1990. After a special charge of $2.26bn, or $3.96 per share due to the adoption of new accounting rules which require employees to account for post-retirement benefits other than pensions, losses per share for the quarter were $3.03.

"The worldwide economic slowdown has created an uncertain and difficult business environment. However, we believe the underlying long-term need for, and value of, our products and services has not diminished," said Mr John F. Akers, IBM chairman. The company is "in an excellent position to take advantage of any economic improvement".

In response to the earnings report, IBM's share price declined from a Thursday close of $110⅝ to trade at $108⅜ at midday. Financial analysts expressed concerns about the outlook for IBM's overseas earnings in view of slowing economies in Europe and the rising dollar. IBM generated 60 per cent of its revenues outside the US last year.

French banks on creditwatch

TWO of France's biggest banks seem set to have their credit ratings downgraded in a further sign of deterioration in the French banking market, writes George Graham in Paris.

S&P-ADEF, the French rating agency associated with Standard & Poor's of the US, said it had placed the long-term debt of Société Générale and Banque Nationale de Paris (BNP).

The two are rated AA+. S&P-ADEF said the two banks' short-term ratings were confirmed at A1+, implying the downgrading will not be swingeing.

Société Générale earlier this week said its 1990 net profits had fallen by 25 per cent, and BNP is expected next week to report a drop of as much as 50 per cent.

Junk bonds claim another victim

Nikki Tait charts the increasingly grim position of First Executive

On Thursday morning, Mr John Garamendi, the newly-appointed California Insurance Commissioner, made the most dramatic statement of his brief three-month reign. He would, he said, seek a "court-supervised conservatorship" of Executive Life, the main operating unit of First Executive, a large Los Angeles-based life insurer.

Quickly granted by the Californian courts, the seizure places Executive Life in Mr Garamendi's direct charge. A moratorium on policyholder surrenders and loans by the company takes immediate effect, although medical payments, death benefits and monthly annuities will still go out. In the meantime, Mr Garamendi and his department will attempt to "rehabilitate" the company; there had already been talks with a European consortium, the commissioner said. But if this proves impossible, liquidation might be the only option.

This is the largest insurance company seizure the US has ever seen – and one which ended months of uncertainty for hundreds of thousands of Executive Life policyholders. Yet the denouement scarcely comes as a surprise.

For a start, the situation at First Executive had looked increasingly precarious in recent days. The Californian state insurance regulators, who have been scrutinising the company for months, had prevented a $7.5m interest payment from Executive Life to its parent company. First Executive's auditors had expressed doubt about the group as "a going concern", partly because of further possible intervention by the regulators. Various states had restricted the company's ability to sell new policies.

And First Executive itself had just announced a $465.9m loss for the fourth quarter of 1990, leaving it with a $366m after-tax deficit for the year. The figure was scored after a further $462.4m write-off for "net realised losses and impairments on investments" in the final three-month period.

Fred Carr: expanded First Executive's junk portfolio

To understand how this state of affairs arose, it is necessary to go back to February 1990, when Drexel Burnham Lambert, the controversial investment bank which pioneered the growth of junk bonds in the 1980s, headed for bankruptcy. First Executive was immediately viewed as a "domino" victim.

The insurer, under the control of its avuncular chairman, Mr Fred Carr, had been a leading Drexel customer during the 1980s. By the late-1980s, it was reckoned to have half its investments in high yield bonds.

While these "junk" bonds remained in fashion, this helped fuel phenomenal growth. Based on its unconventional and temporarily successful investment strategy, First Executive sold policies aggressively. Assets soared from $800m in 1980 to $19bn in 1989. But if the junk bond party was over, said observers last year, First Executive's prospects were grim.

Just how grim is now apparent. By the end of 1990, the insurer's bond portfolio was being carried on the balance sheet at $9.42m, accounting for almost 70 per cent of total investments. But its estimated market value was only $6.79m – $2.63m below the carrying value.

Bad publicity and concerns about the junk bond market meant the company was hit by a wave of surrenders by policyholders last year. At the same time, First Executive's marketing structure deteriorated – the insurer had never had its own sales force – as independent agents backed away.

And, to compound the problems, First Executive was embroiled in the morass of litigation which followed Drexel's collapse. Only this week, an unconnected insurance company filed a suit in the Manhattan courts, claiming that First Executive's general liability policy, taken out with it, should not be permitted to cover defence costs or damages which could arise from securities fraud cases.

To help stem the damage, First Executive had discussed a possible transfer of "all or a portion" of its existing life insurance liabilities to other, healthier insurers. No deal emerged.

In recent days, another worry had taken hold. If First Executive collapsed, there were serious concerns that not all of its customers would be fully covered by the complex state-based guaranty system, which aims to protect holders of insurance policies in the US.

The guaranty funds – which are usually funded retroactively by the remaining solvent insurers in the state – usually place a limit on the benefits they cover. First Executive tended to target upmarket customers, and it has been suggested that some of the benefits which it promised may go beyond the funds' coverage.

In the event, Executive Life's "conservatorship" postpones the guaranty fund issue, although this could resurface if a rehabilitation proves impossible. What is inescapable, however, is the broader, political issue – namely, what the First Executive débâcle says about the state of insurance regulation in the States.

This is already under acute scrutiny in Washington, and most insurance industry players believe some form of Federal intervention in the state-based system is likely to be proposed later this year. There has been pressure for a Federal guaranty fund; another suggestion is that a new Federal authority should oversee certain insurance business.

So will First Executive be grist to the reformists' mill? Defenders of state regulation tend to stress that the insurer was an exceptional case. The National Association of Insurance Commissioners, for example, points out that Executive Life of California had 49.1 per cent of its assets in "non-investment grade bonds" at the end of 1989, while for Executive Life of New York, the other significant operating unit and under intense scrutiny by the New York Insurance Department, the figure was 40.1 per cent. Amongst insurers of any size, the next nearest "rival" had only 25.8 per cent of its assets in "junk".

It is also true that some action has already been taken to tighten the investment parameters for insurers. The NAIC has refined its bond grading categories. It has also put forward draft regulations – due for discussion this weekend – which would cap the assets an insurer could invest in various categories.

That said, the implementation of NAIC model regulations is a matter for individual states, and standards vary widely. Three states and the District of Columbia, meanwhile, still lack guaranty fund arrangements to cover life insurance company collapses.

And, while it is always easy to be wise with hindsight, the fact remains that serious concerns about First Executive's portfolio only began to surface in the past 18 months. Mr Garamendi himself put the point bluntly: "I was astounded to learn the precariousness of the condition of Executive Life and the lack of regulatory authority asserted by the department as the company's junk bond holding rose to astronomical levels".

In short, political ripples from the events surrounding First Executive look unavoidable.

Viag may buy Continental Can Europe

By David Goodhart in Bonn

VIAG, the German conglomerate, is negotiating to acquire the European operations of Continental Can of the US. The talks are described as "serious but at an early stage".

VIAG, which was only fully privatised in 1988, will probably have to pay at least as much for Continental Can Europe (CCE) as the more-than DM500m ($300m) it paid for the trading group Klöckner & Co in 1989.

CCE was nearly bought last year by Ball Corporation for $1.3bn but the deal did not go ahead because of financing problems.

CCE had sales in 1990 of about DM3bn of which about 60 per cent, plus DM63m in post-tax profits, came from its German subsidiary Schmalbach-Lubeca, market leader in drink cans. Other CCE companies include Thomassen & Drijver in the Netherlands, Continental Can UK and Continental France.

Viag, which recorded sales of DM19.5bn and a pre-tax profit of DM335m in 1990, has plenty of cash to buy CCE and is unlikely to need an immediate rights issue.

The group has six divisions – energy, aluminium, chemicals, trade and services, ceramics, glass – but would not create a seventh packaging division if negotiations for CCE are successful. A Viag executive argued yesterday that the logic behind the takeover lay in Viag's existing experience with packaging, in its glass and aluminium divisions, and its expertise in high energy consuming industries.

Packaging is a declining industry, especially in Germany, due to environmentalist pressure to reduce packing and increase recyling. The German Bundestag is expected to pass a tough packaging law later this month. An earlier version of the law was rejected for being too mild.

VIAG may face problems with the German cartel authorities if the deal does go ahead.

WORLD COMMODITIES PRICES

WEEKLY PRICE CHANGES	Latest prices	Change on week	Year ago	High 1991	Low 1991
Gold per troy oz.	$360.75	+3.25	$375.25	$392.25	$353.95
Silver Per troy oz	225.65p	+1.90	311.90p	227.66p	183.35p
Aluminium 99.7% (cash)	$1394.5	-39.5	$1478.5	$1570	$1390
Copper Grade A (cash)	£1377	+5.5	£1710	£1404.0	£1241.0
Lead(cash)	£339.5	-10.5	£485.5	£382.5	£292.5
Nickel (cash)	$9035	+5	$8737.5	$9237.5	$8325
Zinc SHG (cash)	$1322.5	+89	$1667	$1327.5	$1133
Tin (cash)	$5485	-2.5	$6435	$5755	$5470
Cocoa Futures (Jul)	£684	+1	£893	£714	£596
Coffee Futures (Jul)	£596	-7	£710	£613	£520
Sugar (LDP Raw)	$224.6	-2.4	$371.4	$236.0	$209.5
Barley Futures (Sep)	£107.90	+0.15	£106.20	£121.50	£107.90
Wheat Futures (Jun)	£140.75	-0.35	£116.30	£141.10	£120.60
Cotton Outlook A Index	83.30c	+0.35	83.10c	86.15c	82.65c
Wool (64s Super)	342p	+4	562p	421p	329p
Oil (Brent Blend)	$19.125w	+0.875	$16.975	$29.15	$16.75

Per tonne unless otherwise stated. †Unquoted. p-pence/kg. c-cents lb w-Jun.

London Markets

SPOT MARKETS

Crude oil (per barrel FOB)		+ or -
Dubai	$15.15-5.30u	+.025
Brent Blend (dated)	$19.75-9.90	+.125
Brent Blend (Jun)	$19.10-9.15	+.125
W.T.I. (1 pm est)	$20.75-0.80u	+0.10

Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium Gasoline	$242-244	
Gas Oil	$179-181	+3.5
Heavy Fuel Oil	$70-72	
Naphtha	$196-198	

Petroleum Argus Estimates

Other		+ or -
Gold (per troy oz)♣	$360.75	-1.40
Silver (per troy oz)♣	399.5c	
Platinum (per troy oz)	$403.65	+2.15
Palladium (per troy oz)	$96.0	+2.15
Aluminium (free market)	$1400	-5
Copper (US Producer)	112¼c	-¼
Lead (US Producer)	34c	
Nickel (free market)	419c	-1
Tin (Kuala Lumpur market)	14.68r	-0.11
Tin (New York)	256c	-1
Zinc (US Prime Western)	62c	
Cattle (live weight)†	110.96p	+0.13*
Sheep (dead weight)†	201.34p	-1.41*
Pigs (live weight)†	80.28p	+3.52*
London daily sugar (raw)	$224.6t	-1.8
London daily sugar (white)	$293.0t	-3.0
Tate and Lyle export price	£233.5	-2.0
Barley (English feed)	£124	
Maize (US No. 3 yellow)	£175.5	
Wheat (US Dark Northern)	£97	
Rubber (May)♥	51.00p	+0.25
Rubber (Jun)♥	51.75p	+0.25
Rubber (KL RSS No 1 Apr)	225.0m	-0.5
Coconut oil (Philippines)§	$305t	-5
Palm Oil (Malaysian)§	$317.5s	
Copra (Philippines)§	$220q	
Soyabeans (US)	£154	+0.5
Cotton "A" index	83.30c	-0.20
Wooltops (64s Super)	342p	

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb r-ringgit/kg. q-Jul t-Apr/May u-Jun. x-Apr/Jun. s-Apr/Jun. †Meat Commission average fatstock prices. * change from a week ago. ♥London physical market. §CIF Rotterdam. ♣ Bullion market close m-Malaysian cents/kg.

SUGAR – London FOX ($ per tonne)

Raw	Close	Previous	High/Low
May	193.00	194.40	195.60 189.00
Aug	192.00	198.40	199.60 191.00
Oct	189.00	200.00	199.40 189.60
Dec	188.00	197.00	195.00 195.00
Mar	187.00	196.00	194.20 187.00
May	189.00	196.00	195.00 189.00

White	Close	Previous	High/Low
May	284.0	298.5	296.5 284.4
Aug	278.0	288.5	287.5 278.5
Oct	265.0	267.5	263.0 262.0
Dec	262.0	264.0	263.0 258.0
Mar	264.0	265.0	265.0 258.0

Turnover: Raw 1767 (1061) lots of 50 tonnes. White 1730 (1642)
Paris- White (FFr per tonne): May 1666, Aug 1640, Oct 1536.

CRUDE OIL – IPE $/barrel

	Latest	Previous	High/Low
May	19.95	19.55	20.15 19.60
Jun	19.10	18.84	19.25 18.82
Jul	18.62	18.37	18.80 18.45
Aug	18.50	18.35	18.55 18.50
Sep	18.40	18.35	18.40
Oct	18.40	18.35	18.45 18.40
IPE Index	19.75	19.45	19.75

Turnover 17218 (18059)

GAS OIL – IPE $/tonne

	Close	Previous	High/Low
May	173.75	171.75	174.00 169.50
Jun	169.25	168.50	170.25 167.50
Jul	168.75	167.75	169.75 166.75
Aug	171.00	170.00	171.00 168.00
Sep	172.25	171.00	171.50 170.00
Oct	174.50	173.50	174.50 171.50
Nov	175.50	175.00	175.00 173.00
Dec	176.25		176.00 173.50

Turnover 4880 (10965) lots of 100 tonnes

SPICES
Now that the Gulf War is over, demand is increasing for cardamom, especially forthe better grades, reports Man-producten. But no big change in price is expected in the short term. Cassia: origins remain steady, Europe/US unchanged. Chillies: firm, unchanged. Cloves: commores slightly firmer, however, still cheaper than Madagascar premium for spot parcels. Nutmegs/mace: situation seems unchanged. Small demand for nearby delivery, for later shipments no interest. Pimento: remains firm. Mexico spot US$1,800 and shipment $1,750 cif, Guatemala $2,250 spot, very limited stocks, shipment $2,200 cif.

COCOA – London FOX £/tonne

	Close	Previous	High/Low
May	655	648	659 646
Jul	684	675	686 674
Sep	708	695	706 697
Dec	738	726	738 728
Mar	767	755	767 757

Turnover: 5933 (3297) lots of 10 tonnes
ICCO indicator prices (SDRs per tonne). Daily price for Apr 11 846.12 (837.20) 10 day average for Apr 12 855.94 (858.28)

COFFEE – London FOX £/tonne

	Close	Previous	High/Low
May	579	582	582 576
Jul	596	600	600 594
Sep	614	618	618 612
Nov	631	633	634 630
Jan	647	651	648

Turnover: 2828 (3437) lots of 5 tonnes
ICO indicator prices (US cents per pound) for Apr 11 : Comp. daily 72.45 (72.19). 15 day average 72.79 (72.75)

POTATOES – London FOX £/tonne

	Close	Previous	High/Low
May	129.5	129.5	130.0 127.5
Mar	131.0	126.0	131.0 126.5
Apr	131.0	126.0	131.0 126.5

Turnover 159 (213) lots of 40 tonnes.

SOYAMEAL – London FOX £/tonne

	Close	Previous	High/Low
Apr	117.00		117.00
Jun	117.00		117.00
Aug	119.50	119.00	119.50 119.00
Oct	114.50	123.00	

Turnover 90 (65)lots of 20 tonnes.

FREIGHT – London FOX $10/index point

	Close	Previous	High/Low
Apr	1539	1528	1540 1525
May	1466	1455	1466 1445
Jul	1175	1161	1177 1159
Oct	1290	1265	1265 1260
Jan	1301		1300 1296
BFI	1588	1588	1588

Turnover 365 (317)

GRAINS – London FOX £/tonne

Wheat	Close	Previous	High/Low
May	139.00	138.75	139.25 138.80
Jun	140.70	140.60	141.00 140.55
Sep	111.75	111.75	112.00
Nov	114.90	114.95	115.35 114.90
Jan	118.35	118.40	118.60
Mar	121.80	124.85	122.00

Barley	Close	Previous	High/Low
May	117.00	117.50	117.00
Sep	107.90		108.25 108.00
Jan	115.05		115.20 115.20

Turnover: Wheat 273 (477), Barley 22 (83). Turnover lots of 100 tonnes.

PIGS – London FOX (Cash Settlement) p/kg

	Close	Previous	High/Low
May	115.0	114.0	114.5 114.0
Jun	115.5		114.5 114.0
Jul	115.0	113.5	114.5 114.0
Aug	115.0		114.0

Turnover: 111 (11) lots of 3,250 kg

[illegible] – London FOX

	Close	Prev.	High	Low	Vol
Indx	154.41	154.15			
Apr	154.00	153.70	154.00	153.70	125
May	153.60	153.50	153.60	153.10	113
Jun	153.30	153.50	153.30	152.90	120
Sep	153.20	153.00	153.20	152.60	70
Dec	153.30		153.30	152.30	48

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open interest
Aluminium, 99.7% purity ($ per tonne)						Total daily turnover 17,288 lots
Cash	1394-5	1389-91	1398/1395	1397-8		
3 months	1424-5	1419-20	1432/1420	1427-8	1427-8	67,619 lots
Copper, Grade A (£ per tonne)						Total daily turnover 17,526 lots
Cash	1376-8	1372-4	1378/1372	1371-2		
3 months	1368-9	1364-5	1372/1363	1364-5	1372-5	102,720 lots
Lead (£ per tonne)						Total daily turnover 4,024 lots
Cash	339-40	337-8	339	338.5-9		
3 months	351-2	348-9	352.5/349	350.5-1	350-1	14,260 lots
Nickel ($ per tonne)						Total daily turnover 1,580 lots
Cash	9030-40	9015-25	9000/8970	9000-10		
3 months	9040-45	9035-45	9050/9000	9000-10	9030-40	9,169 lots
Tin ($ per tonne)						Total daily turnover 631 lots
Cash	5480-90	5475-85		5470-80		
3 months	5570-5	5570-5	5575/5570	5565-70	5570-5	6,480 lots
Zinc, Special High Grade ($ per tonne)						Total daily turnover 10,487 lots
Cash	1320-5	1326-30	1340	1337-40		
3 months	1206-8	1214-5	1210/1200	1207-8	1207-10	25,465 lots

LME Closing £/$ rate: SPOT: 1.7825 3 months: 1.7572 6 months: 1.7424 9 months: 1.7261

LONDON BULLION MARKET (Prices supplied by N.M.Rothschild)

Gold (fine oz)	$ price	£ equivalent
Close	360.50-361.00	
Opening	361.00-361.50	
Morning fix	361.45	201.984
Afternoon fix	361.95	202.546
Day's high	362.50-362.90	
Day's low	360.40-360.90	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	5.24	6 months	5.12
2 months	5.19	12 months	5.11
3 months	5.16		

Silver fix	p/fine oz	US cts equiv
Spot	224.20	401.75
3 months	230.75	407.70
6 months	236.95	414.00
12 months	249.05	427.70

GOLD COINS (Prices supplied by Engelhard Metals)

	$ price	£ equivalent
Krugerrand	363.00-364.00	203.50-204.50
Maple leaf	373.50-374.50	209.00-209.50
New Sovereign	87.00-88.00	48.50-49.00

TRADED OPTIONS

Aluminium (99.7%)	Calls		Puts	
Strike price $ tonne	May	Jul	Apr	May
1300	106	132	1	8
1400	26	61	20	35
1500	2	21	94	93

Copper (Grade A)	Calls		Puts	
2350	103	108	8	56
2450	37	60	41	107
2550	8	30	111	175

Coffee	May	Jul	May	Jul
550	29	56	1	4
600	3	27	25	33
650		12	72	68

Cocoa	May	Jul	May	Jul
600	54			
650	11	50	7	16
700			46	40

Brent Crude	Jun	Jul	Jun	Jul
1900	80		25	
2050	50			
2000	40			

New York

GOLD 100 troy oz.; $/troy oz.

	Close	Previous	High/Low	
Apr	361.3	362.9	363.7	360.0
May	361.7	363.6	0	0
Jun	362.7	364.8	365.6	361.5
Aug	365.6	367.7	368.0	364.5
Oct	368.7	370.8	370.3	370.2
Dec	371.9	374.1	375.0	370.5
Feb	375.2	377.5	0	0
Apr	378.5	380.8	0	0
Jun	382.0	384.3	0	0

PLATINUM 50 troy oz; $/troy oz.

	Close	Previous	High/Low	
Apr	400.6	402.1	405.3	400.0
Jul	404.9	405.8	409.0	402.2
Oct	408.7	409.7	413.0	407.5
Jan	412.2	413.2	416.5	416.5
Apr	416.6	417.6	420.0	420.0
Jul	421.1	422.1	0	0

SILVER 5,000 troy oz; cents/troy oz.

	Close	Previous	High/Low	
Apr	397.7	398.5	0	0
May	398.8	397.7	403.5	398.5
Jun	401.1	400.1	0	0
Jul	403.5	402.5	408.5	402.0
Sep	408.4	407.4	412.5	408.5
Dec	415.4	414.4	420.5	413.5
Jan	417.7	416.7	0	0
Mar	423.0	422.0	0	0
May	428.2	427.3	426.0	427.0
Jul	433.5	432.6	0	0

HIGH GRADE COPPER 25,000 lbs; cents/lbs

	Close	Previous	High/Low	
Apr	108.35	108.25	109.00	108.30
May	108.70	108.70	109.50	108.60
Jun	108.10	108.15	108.20	108.20
Jul	107.55	107.60	108.10	107.50
Aug	107.05	107.10	0	0
Sep	106.50	106.55	106.60	106.50
Oct	105.85	105.90	0	0
Nov	105.55	105.60	0	0
Dec	104.90	104.95	105.30	105.00
Jan	104.25	104.30	0	0

ORANGE JUICE 15,000 lbs; cents/lbs

	Close	Previous	High/Low	
May	115.10	114.95	116.00	114.70
Jul	115.80	115.45	116.30	114.90
Sep	116.10	116.15	116.20	115.60
Nov	116.55	115.90	116.30	116.30

CRUDE OIL (Light) 42,000 US galls $/barrel

	Latest	Previous	High/Low	
May	21.26	20.89	21.36	21.03
Jun	20.81	20.48	20.89	20.63
Jul	20.44	20.17	20.53	20.30
Sep	19.97	19.76	20.05	19.86
Oct	19.86	19.66	19.92	19.72
Nov	19.80	19.59	19.85	19.70
Dec	19.80	19.55	19.81	19.62
Feb	19.64	19.45	19.67	19.60

HEATING OIL 42,000 US galls, cents/US galls

	Latest	Previous	High/Low	
Jun	5525	5452	5540	5480
Jul	5515	5439	5530	5460
Aug	5560	5480	5565	5590
Sep	5683	5610	5683	5670
Nov	5865	5790	5860	5850
Dec	5960	5870	5960	5920
Jan	5955	5890	5856	5956
Feb	5835	5770	5835	5830

COCOA 10 tonnes;$/tonnes

	Close	Previous	High/Low	
May	1099	1095	1113	1096
Jul	1128	1126	1143	1126
Sep	1158	1154	1168	1154
Dec	1195	1194	1208	1193
Mar	1226	1280	1238	1228
May	1253	1253	0	0
Jul	1279	1279	1284	1284
Sep	1320	0	0	0

COFFEE "C" 37,500lbs; cents/lbs

	Close	Previous	High/Low	
May	91.55	91.90	92.15	91.05
Jul	93.80	94.30	94.35	93.35
Sep	96.00	96.55	96.40	95.40
Dec	99.30	99.70	99.35	98.60
Mar	102.25	102.40	101.40	101.40
May	104.10	104.25	0	0
Jul	105.75	106.25	0	0
Sep	106.65	107.50	0	0

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Close	Previous	High/Low	
May	8.71	8.93	8.98	8.62
Jul	8.52	8.61	8.91	8.50
Oct	8.45	8.83	8.90	8.45
Mar	8.42	8.74	8.78	8.40
May	8.52	8.79	8.79	8.61
Jul	8.53	8.81	0	0

COTTON 50,000; cents/lbs

	Close	Previous	High/Low	
May	88.49	86.63	88.57	87.10
Jul	87.10	85.51	87.46	85.94
Oct	75.29	74.42	75.50	74.65
Dec	70.96	70.35	71.09	70.48
Mar	72.15	71.50	72.20	72.15
May	72.73	72.15	72.70	72.02
Jul	72.85	72.15	72.75	72.82

INDICES

REUTERS (Base: September 18 1931 = 100)

Apr 12	Apr 11	mnth ago	yr ago
1741.6	1741.7	1703.8	-

DOW JONES (Base: Dec. 31 1974 = 100)

	Apr 11	Apr 10	mnth ago	yr ago
Spot	125.79	126.17	128.64	134.87
Futures	129.25	129.34	130.29	133.80

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel

	Close	Previous	High/Low	
May	587/6	588/6	593/0	585/6
Jul	599/6	599/4	604/4	596/6
Aug	604/4	605/4	608/4	601/6
Sep	608/0	608/6	612/4	606/0
Nov	618/0	618/0	622/0	615/2
Jan	628/4	628/4	632/4	626/0
Mar	639/0	639/2	643/0	637/4
May	646/2	646/2	0	0

SOYABEAN OIL 60,000 lbs; cents/lb

	Close	Previous	High/Low	
May	21.66	21.76	21.85	21.53
Jul	22.01	22.08	22.23	21.87
Aug	22.15	22.18	22.37	22.05
Sep	22.30	22.27	22.60	22.20
Oct	22.40	22.41	22.60	22.33
Dec	22.65	22.72	22.80	22.55
Jan	22.72	22.75	0	0
Mar	22.95	22.95	0	0

SOYABEAN MEAL 100 tons; $/ton

	Close	Previous	High/Low	
May	171.4	170.7	172.4	170.4
Jul	174.7	174.2	176.0	173.8
Aug	176.2	176.0	177.5	175.6
Sep	178.4	177.9	179.0	177.5
Oct	179.9	179.2	180.6	179.1
Dec	182.9	182.5	184.0	182.3
Jan	183.2	183.0	0	0
Mar	1188.0	1186.5	0	0

MAIZE 5,000 bu min; cents/56lb bushel

	Close	Previous	High/Low	
May	258/6	257/2	259/2	257/2
Jul	266/2	265/0	266/4	264/6
Sep	265/6	264/6	265/6	264/2
Dec	264/0	264/2	265/0	263/0
Mar	272/2	272/0	272/6	271/0
May	278/2	277/2	278/2	276/4

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	Previous	High/Low	
May	288/2	288/0	290/4	287/4
Jul	298/0	297/6	300/4	297/4
Sep	306/0	307/0	308/4	306/0
Dec	320/2	320/4	322/0	319/4
Mar	328/4	328/4	329/4	327/4
May	332/0	332/0	0	0

LIVE CATTLE 40,000 lbs; cents/lbs

	Close	Previous	High/Low	
Apr	81.10	81.12	81.35	81.00
Jun	76.67	76.57	76.85	76.35
Aug	74.67	74.95	75.05	74.50
Oct	76.30	76.50	76.57	75.95
Dec	76.55	76.70	76.77	76.20
Feb	76.15	76.32	76.45	76.05

LIVE HOGS 30,000 lb; cents/lbs

	Close	Previous	High/Low	
Apr	52.45	52.52	53.00	52.30
Jun	57.10	56.86	57.65	57.05
Jul	56.35	55.97	56.67	56.15
Aug	53.47	53.17	53.80	53.30
Oct	48.42	48.35	48.85	48.40
Dec	48.12	48.05	48.35	48.10
Feb	47.67	47.60	47.75	0

PORK BELLIES 40,000 lbs; cents/lb

	Close	Previous	High/Low	
May	62.40	63.20	63.72	62.25
Jul	60.57	61.20	61.85	60.55
Aug	57.80	58.27	59.07	57.75
Feb	60.05	60.20	60.60	59.90
Mar	59.70	59.70	60.00	0

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar and pound hold firm

INFLATIONARY trends were encouraging in the US and Britain yesterday, and the latest news from Spain was also an improvement on some forecasts.

These figures kept the dollar, sterling and the Spanish peseta firm, despite speculation about lower interest rates in the US and Spain. The Bank of England engineered a cut of ½ point to 12 per cent in UK base rates before UK retail prices were published yesterday.

The market regards a decline in British rates and the possibility that the Bank of Spain will ease its monetary policy next week as an indication of the underlying attraction of sterling and the peseta, in contrast to the D-Mark which has weakened on economic factors, despite higher German rates.

Mr Edward Kelly, a Federal Reserve Board governor, speaking in Tokyo this week indicated concern about inflation and this view was born out by the Fed's refusal to cut rates, despite yesterday's surprisingly good US inflation figures and the previous week's depressing employment report.

The Fed drained banks' reserves via weekend matched sale and purchase agreements. This coupled with the fact that the central bank did not cut its discount rate indicated that there has been no change in policy, and the Fed funds target rate remains at 6 per cent.

The dollar finished firmer in London as the Fed showed no reaction to a fall of 0.1 per cent in March US consumer prices, the first monthly decline for nearly five years. Excluding food and energy, the underlying rate rose 0.1 per cent, but both figures were lower than expected, with annual inflation for all items falling to 4.9 from 5.3 per cent.

At the London close the dollar had climbed to DM1.6845 from DM1.6715; to Y136.25 from Y135.90; to SFr1.4275 from SFr1.4115; and to FFr5.6900 from FFr5.6500. Its index rose to 64.8 from 64.6.

Sterling lost ground to the dollar and yen but remained the second strongest member of the European exchange rate mechanism. A fall to 8.2 from 8.9 per cent in UK year-on-year inflation in March was better than expected, helping to maintain the level of real interest rates.

The pound fell 1.30 cents to $1.7775 and slipped to Y242.25 from Y243.25. It also declined to FFr10.1150 from FFr10.1175, but rose to DM2.9950 from DM2.9925 and to SFr2.5375 from SFr2.5275. Sterling's index shed 0.3 to 93.0.

Spanish year-on-year inflation was unchanged at 5.9 per cent in March, but dealers believe the cut in UK rates may have given the Bank of Spain room to ease next week. The peseta stayed at its ERM ceiling against the weakest placed French franc.

£ IN NEW YORK

Apr.12	Latest	Previous Close
£ Spot	1.7715-1.7725	1.7900-1.7910
1 month	0.91-0.89pm	0.88-0.86pm
3 months	2.55-2.52pm	2.47-2.44pm
12 months	7.55-7.45pm	7.25-7.15pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

	Apr.12	Previous
8.30 am	93.1	93.0
9.00 am	93.1	93.0
10.00 am	93.2	92.9
11.00 am	93.1	93.0
Noon	93.3	93.0
1.00 pm	93.3	92.9
2.00 pm	93.3	93.0
3.00 pm	93.3	93.0
4.00 pm	93.0	93.3

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Apr 12	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.7760 - 1.7960	1.7770 - 1.7780	0.90-0.88cpm	6.01	2.54-2.51pm	5.68
Ireland†	1.5900 - 1.6015	1.5910 - 1.5920	0.54-0.46cpm	3.77	1.47-1.37pm	3.57
Canada	1.1470 - 1.1515	1.1505 - 1.1515	0.34-0.37cdis	-3.70	0.95-1.00dis	-3.39
Netherlands	1.8775 - 1.8985	1.8975 - 1.8985	0.47-0.50cdis	-3.07	1.44-1.49dis	-3.09
Belgium	34.25 - 34.55	34.45 - 34.55	7.50-9.00cdis	-2.87	24.00-28.00dis	-3.01
Denmark	6.4010 - 6.4450	6.4400 - 6.4450	2.00-2.30oredis	-4.00	5.70-6.30dis	-3.73
Germany	1.6665 - 1.6855	1.6840 - 1.6850	0.40-0.42pfdis	-2.92	1.26-1.29dis	-3.03
Portugal	145.35 - 146.35	146.20 - 146.30	78-88cdis	-6.81	240-270dis	-6.97
Spain	102.75 - 103.70	103.60 - 103.70	63-67cdis	-7.53	182-192dis	-7.20
Italy	1237.00 - 1248.25	1247.75 - 1248.25	5.30-5.80lireldis	-5.34	16.00-17.00dis	-5.29
Norway	6.4800 - 6.5350	6.5300 - 6.5350	2.10-2.45oredis	-4.18	6.60-7.10dis	-4.19
France	5.6300 - 5.6925	5.6875 - 5.6925	1.49-1.54cdis	-3.20	4.43-4.53dis	-3.15
Sweden	6.0210 - 6.0575	6.0525 - 6.0575	2.90-3.10oredis	-5.95	9.05-9.45dis	-6.11
Japan	135.35 - 136.35	136.20 - 136.30	0.23-0.25ydis	-2.11	0.59-0.63dis	-1.79
Austria	11.7500 - 11.7950	11.7900 - 11.7950	2.75-3.15grodis	-3.00	8.60-9.80dis	-3.12
Switzerland	1.4085 - 1.4280	1.4270 - 1.4280	0.30-0.33cdis	-2.65	0.83-0.88dis	-2.40
Ecu	1.2270 - 1.2385	1.2270 - 1.2280	0.34-0.32cpm	3.23	1.01-0.96pm	3.21

Commercial rates taken towards the end of London trading. † UK, Ireland and ECU are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

POUND SPOT - FORWARD AGAINST THE POUND

Apr 12	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.7760 - 1.7960	1.7770 - 1.7780	0.90-0.88cpm	6.01	2.54-2.51pm	5.68
Canada	2.0410 - 2.0615	2.0505 - 2.0515	0.44-0.35cpm	2.31	1.26-1.15pm	2.33
Netherlands	3.3650 - 3.3780	3.3675 - 3.3775	¾-⅝cpm	2.89	2¼-2pm	2.52
Belgium	61.25 - 61.75	61.25 - 61.35	17-12cpm	2.84	44-37pm	2.64
Denmark	11.4390 - 11.4940	11.4475 - 11.4575	2-1½orepm	1.90	5¼-4¾pm	1.86
Ireland	1.1140 - 1.1230	1.1190 - 1.1200	0.15-0.10cpm	1.34	0.50-0.40pm	1.61
Germany	2.9870 - 2.9995	2.9925 - 2.9975	¾-⅝pfpm	3.01	2-1¾pm	2.50
Portugal	258.50 - 260.80	258.50 - 259.50	9-30cdis	-0.90	59-116dis	-1.35
Spain	183.95 - 185.20	184.20 - 184.50	22-28cdis	-1.63	68-78dis	-1.58
Italy	2215.30 - 2226.00	2217.75 - 2218.75	2lirepm-par	0.54	3pm-par	0.27
Norway	11.6040 - 11.6630	11.6075 - 11.6175	2-1½orepm	1.87	4½-3¾pm	1.44
France	10.0875 - 10.1275	10.1100 - 10.1200	[illegible]	[illegible]	[illegible]	[illegible]

CURRENCY RATES

Apr 12	Bank rate %	Special * Drawing Rights	European † Currency Unit
Sterling	-	0.764798	0.688953
U.S Dollar	6.00	1.35981	1.23391
Canadian $	9.81	1.56297	1.41875
Austrian Sch	7	15.0594	14.5244
Belgian Franc	10.50	47.0460	42.4127
Danish Krone	9½	8.76873	7.90877
D-Mark	6.50	2.28584	2.06372
Dutch Guilder	7.75	2.57371	2.32482

EXCHANGE CROSS RATES

Apr.12	£	$	DM	Yen	F Fr.	S Fr.	H Fl.	Lira	C$	B Fr.	ECU
£	1	1.778	2.995	242.3	10.12	2.538	3.373	2218	2.051	61.30	1.448
$	0.562	1	1.684	136.3	5.692	1.427	1.897	1247	1.154	34.48	0.814
DM	0.334	0.594	1	80.90	3.379	0.847	1.126	740.6	0.685	20.47	0.483
YEN	4.127	7.338	12.36	1000.	41.77	10.47	13.92	9154	8.465	253.0	5.976
F Fr.	0.988	1.757	2.959	239.4	10.	2.508	3.333	2192	2.027	60.57	1.431
S Fr.	0.394	0.701	1.180	95.47	3.987	1	1.329	873.9	0.808	24.15	0.571
H Fl.	0.296	0.527	0.888	71.84	3.000	0.752	1	657.6	0.608	18.17	0.429
Lira	0.451	0.802	1.350	109.2	4.563	1.144	1.521	1000.	0.925	27.64	0.653
C$	0.488	0.867	1.460	118.1	4.934	1.237	1.645	1081	1	29.89	0.706
B Fr.	1.631	2.900	4.886	395.3	16.51	4.140	5.502	3618	3.346	100.	2.362
ECU	0.691	1.228	2.068	167.3	6.989	1.753	2.329	1532	1.416	42.33	1

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100.

Long term Eurodollars: two years 7½-7⅜ per cent; three years 7⅞-7¾ per cent; four years 8⅛-8 per cent; five years 8¼-8⅛ per cent nominal. Short term rates are call for US Dollars and Japanese Yen; others, two days' notice.

FORWARD RATES AGAINST STERLING

	Spot	1 mth	3 mths	6 mths	12 mths
US Dollar	1.7775	1.7686	1.7529	1.7321	1.7030
D-mark	2.9950	2.9875	2.9751	2.9626	2.9429
French Fr.	10.115	10.092	10.051	10.005	9.9355
Swiss Fr.	2.5375	2.5305	2.5166	2.4974	2.4589
Yen	242.25	241.46	239.89	237.80	233.95

MONEY MARKETS

Rates cut to 12%

LONDON wholesale rates eased after the Bank of England endorsed another ½ point cut in UK bank base rates.

After forecasting the money market's credit position yesterday morning, the central bank offered early assistance and bought some bills at rates ⅛ point below existing dealing rates. Clearing banks responded by announcing that base rates had been cut to 12 from 12½ per cent.

Three-month sterling interbank was already discounting the cut and fell a little further to 11$\frac{13}{16}$-11$\frac{11}{16}$ from 12-11⅞ per cent. One-year money was unchanged at 11$\frac{7}{16}$-11$\frac{5}{16}$ per cent.

UK clearing bank base lending rate 12 per cent from April 12, 1991

Short sterling was active on Liffe, with the June contract falling in the afternoon after the Federal Reserve did not ease its monetary stance, despite lower US inflation. It declined to 88.71 from 88.83.

The Bank of England forecast a money market credit shortage of £950m and provided total assistance of £910m.

In early operations the authorities bought £154m bills outright, by way of £1m Treasury bills in band 1 at 11⅞ per cent; £2m bank bills in band 1 at 11⅞ per cent; and £151m bank bills in band 2 at 12¼-11$\frac{13}{16}$ per cent.

Before lunch another £301m bills were purchased, via £9m bank bills in band 1 at 11⅞ per cent and £292m bank bills in band 2 at 11$\frac{13}{16}$ per cent.

In the afternoon the Bank of England did not invite offers of bills, but told the discount houses they were welcome to borrow funds at 12 per cent. A sum of £455m was lent to the houses for seven days.

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained £918m, with a rise in the note circulation absorbing £540m and bank balances below target £10m. These outweighed exchequer transactions adding £520m to liquidity.

At the weekly Treasury bill tender the average rate of discount on 91-day bills fell to 11.2351 from 11.4156 per cent and the average on 182-day bills declined to 10.7254 from 10.8524 per cent.

From next Friday the number of 91-day bills on offer will rise to £500m from £350m, but the 182-day issue will remain at £200m. The Bank of England said this was a routine adjustment in response to the normal seasonal pattern of government receipts and expenditure.

FT LONDON INTERBANK FIXING

(11.00 a.m. Apr.12) 3 months US dollars		6 months US Dollars	
bid 6	offer 6⅛	bid 6⅛	offer 6¼

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

MONEY RATES

LONDON MONEY RATES

FINANCIAL FUTURES AND OPTIONS

LONDON (LIFFE)

CHICAGO

OPTION ON LONG-TERM FRENCH BOND (MATIF)

Strike	Calls June	Calls Sept.	Calls Dec.	Puts June	Puts Sept.	Puts Dec.
103	3.80	-	-	0.07	0.34	-
104	2.86	-	-	0.13	0.53	-
105	2.04	2.48	-	0.31	0.78	-
106	1.32	1.87	-	0.54	1.12	-
107	0.72	1.35	-	0.96	-	-
108	0.36	0.94	-	-	-	-
Open Int.	115,713	25,578	1,100	122,105	28,924	1,250

Estimated volume 38,437 Total Open Interest 294,670

BANK RETURN

BANKING DEPARTMENT	Wednesday April 10, 1991		Increase or decrease for week
LIABILITIES	£		£
Capital	14,553,000		
Public Deposits	67,108,522	-	13,828,722
Bankers Deposits	1,826,184,341	+	89,039,801
Reserve and other Accounts	2,660,109,937	-	270,954,006
	4,567,955,800	-	195,742,927
ASSETS			
Government Securities	1,377,369,028	-	33,505,000
Advance and other Accounts	1,463,366,765	+	237,203,524
Premises Equipment & other Secs	1,716,104,170	-	400,431,737
Notes	10,849,916	+	962,934
Coin	225,921	+	7,352
	4,567,955,800	-	195,742,927
ISSUE DEPARTMENT			
LIABILITIES			
Notes in circulation	15,499,150,084	-	520,962,934
Notes in Banking Department	10,849,916	+	962,934
	15,510,000,000	-	520,000,000
ASSETS			
Government Debt	11,015,100		
Other Government Securities	11,276,979,727	-	197,135,107
Other Securities	4,222,005,173	-	322,864,893
	15,510,000,000	-	520,000,000

BASE LENDING RATES

	%		%		%
ABN Bank	12½	Comm.Bk.of London Plc	12½	McDonnell Douglas Bnk.	12
Adam & Company	12½	Co-operative Bank	12	Midland Bank	12
Allied Trust Bank	12½	Coutts & Co	12	Mount Banking	12½
AIB Bank	12½	Cyprus Popular Bk	12½	Nat. Bk. of Kuwait	13½
● Henry Ansbacher	12½	Dunbar Bank PLC	12½	NatWestminster	12
B & C Merchant Bank	12	Duncan Lawrie	12½	Northern Bank Ltd	12½
Bank of Baroda	12½	Equatorial Bank plc	12½	Nykredit Mortgage Bank	13
Banco Bilbao Vizcaya	12½	Exeter Bank Limited	12½	Provincial Bank PLC	15
Bank Credit & Comm	12½	Financial & Gen. Bank	12½	Roxburghe Bank Ltd.	13½
Bank of Cyprus	12½	First National Bank Plc.	15	Royal Bk of Scotland	12
Bank of Ireland	12½	● Robert Fleming & Co.	12½	● Smith & Williamson Secs.	12½
Bank of India	12½	Robert Fraser & Ptnrs.	12½	Standard Chartered	12
Bank of Scotland	12½	Girobank	12	TSB	12
Banque Belge Ltd	12	● Guinness Mahon	12½	Udbank plc	12½
Barclays Bank	12	● Hambros Bank	12	● United Bk of Kuwait	12½
Benchmark Bank	13	Hampshire Trust Plc	13½	United Mizrahi Bank	12½
Brit. Bk of Mid East	12½	Heritable & Gen Inv Bnk.	12½	Unity Trust Bank Plc	12
● Brown Shipley	12½	● Hill Samuel	12	Western Trust	12½
CL Bank Nederland	12½	C. Hoare & Co.	12½	Westpac Bank Corp.	12½
● Charterhouse Bank	12	Hongkong & Shanghai	12½	Whiteaway Laidlaw	12
Citibank NA	12½	● Leopold Joseph & Sons	12½	Yorkshire Bank	12
City Merchants Bank	12½	Lloyds Bank	12		
Clydesdale Bank	12	Meghraj Bank Ltd	12½		

● Members of British Merchant Banking & Securities Houses Association.

MONEY MARKET FUNDS

Money Market Trust Funds

Money Market Bank Accounts

Citibank Savings
St Martins Hse, Hammersmith Grove W6 081-741 4941
Money Market Plus

	Gross	Net	CAR	Int Cr
£2,000-£24,999	10.50	8.00	11.07	Mth
£25,000	11.00	8.50	11.79	Mth

Clydesdale Bank PLC
30 St Vincent Place, Glasgow G1 2HL 041 248 7070

	Gross	Net	CAR	Int Cr
£2,000-£19,999	9.75	7.32	10.11	Qtr
£20,000-£49,999	10.20	7.65	10.60	Qtr
£50,000+	10.70	8.03	11.13	Qtr

114 Newgate St, London EC1 7AE 071-606 9485
High Int Cheque Acc 12.50 9.375 13.10 Qtr

NOTES– Gross: Contractual rate of interest payable, not taking account of the deduction of basic rate income tax. Net: Rate of interest payable after allowing for deduction of basic rate income tax. Gross CAR: Gross rate annualised to take account of compounding of interest paid other than once a year, 'Compounded Annual Rate'. Int Cr: Frequency at which interest is credited to the account.

LONDON STOCK EXCHANGE: Dealings

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated prices are in pence. The prices are those at which the business was done in the 24 hours up to 5 pm on Thursday and settled through the Stock Exchange Talisman system, they are not in order of execution but in ascending order which denotes the day's highest and lowest dealings.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the four previous days is given with the relevant date.

Rule 535(2) stocks are not regulated by the International Stock Exchange of the United Kingdom and the Republic of Ireland Ltd.

‡ Bargains at special prices. ♦ Bargains done the previous day.

British Funds, etc
No. of bargains included2189

Conversion10% Stk 1996 A – £99⅝ (9Ap91)
Exchequer10½% Stk 2005 – £109⅞
Guaranteed Export Finance Corp PLC 12¾% Gtd Ln Stk 2002(Reg) – £112⅝♦ 3♦

Corporation and County Stocks
No. of bargains included10

Greater London Council6¾% Stk 90/92 – £95½ ¾ 6
Birmingham District Council11½% Red Stk 2012 – £102½ (8Ap91)
Kirklees Metropolitan Council11.5% Red Stk 2031 – £103

UK Public Boards
No. of bargains included3

Agricultural Mortgage Corp PLC4½% Deb Stk 81/91 – £94 (8Ap91)
5½% Deb Stk 93/95 – £82 (8Ap91)
6¾% Deb Stk 92/94 – £87 (9Ap91)
7¾% Deb Stk 91/93 – £92½ (8Ap91)
Metropolitan Water Metropolitan Water 3% A Stk 63/2003 – £50
Staines Res Joint Comm 3% Gtd Deb Stk – £25‡ (5Ap91)
Port of London Authority3% Port of London A Stk 29/99 – £50

Commonwealth–Government
No. of bargains includednil

Jersey Electricity Co Ld6% Gtd Stk 2000 – £92 (10Ap91)

Foreign Stocks, Bonds, etc–(coupons payable in London)
No. of bargains included59

Bahia(State of)Brazil5% Gold Ln 1904(now 1⅜%) – £41 (8Ap91)
Ireland(Republic of)9¾% Stk 91/96 – £94¼ (10Ap91)
Argyll Group PLC4½% Cnv Bds 2002 – £115
Australia(Commonwealth of)10¼% Bds 1997 – £96⅝ 7 (8Ap91)
BP Capital BV9¾% Gtd Nts 1993 – £98 (9Ap91)
Blue Circle Industries Capital Ld10½% Cnv Cap Bds 2005(Br£5000&100000) – £113
Boots Finance Ld6% Cnv Cap Bds 2005 (Br) – £119 ¾
British Gas PLC10¾% Bds 2001(Br £1000,10000&100000) – £100½
12¾% Bds 1995 (Br£1000&10000) – £105⅝ (8Ap91)
British Telecommunications PLC9¾% Nts 1993 – £96 7
Burton Group PLC4¾% Cnv Bds 2001 (Br£1000&5000) – £118 (9Ap91)
Commonwealth Bank of Australia11% Gtd Nts 1992 (Br$C1000&10000) – $C101 (10Ap91)
Costain Finance NV7.5% GtdRed CnvPrf 2003 £1(Certs to Br) – 86½
Daily Mail & General Trust PLC8¾% Exch Bds 2005 (Br£1000&5000) – £93¼
GMAC Australia(Finance) Ld15¼% Nts 5/1/94 (Br&A1000&10000) – $A104¾ (10Ap91)
General Motors Accept Corp Canada10% Nts 30/8/95 (Br$C1000&10000) – $C98¾ (9Ap91)
Grand Metropolitan PLC6¾% Subord Cnv Bds 2002 (Br£5000) – £122¾ ½ (10Ap91)
Guinness Finance BV12% Gtd Nts 1996 – £102⅝
Halifax Building Society9¾% Nts 1995 – $102⅞ ⅞ (10Ap91)
11% Subord Bds 2014(Br£10000&100000) – £93¾ (8Ap91)
Hickson Capital Ld7% Cnv Cap Bds 2004 (Reg) – 100 (10Ap91)
Hydro-Quebec10¾% Deb, Srs HU 8/3/2001 (Br $C Var) – $C99⅛ (10Ap91)
11%DbsSerHC9/2/99(Br$C1000,10000 &100000) – $C101½ (8Ap91)
Imperial Chemical Industries PLC11¾% Bds 1995(Br£5000) – £100½♦ 1⅜♦
International Bank for Rec & Dev9¾% Bds 2007 (Br£5000) – £98⅝ (8Ap91)
10% Bds 1999 – £96⅝ (8Ap91)
11¼% Nts 1995 – £102.2 (8Ap91)
Italy(Republic of)8¾% Nts 2001(Br$5000&50000) – $100.45 .7 (9Ap91)
10½% Bds 2014 (Br£10000&50000) – £95¼ (8Ap91)
Ladbroke Group PLC5¾% Subord Cnv Bds 2004(Br£1000&5000) – £107⅞
6¾% Cnv Bds 2002 – £91 (5Ap91)
Lasmo PLC7¾% Cnv Bds 2005 – £85¼
Leeds Permanent Building Society10⅞% Subord Bds 1998 (Br£5000) – £95⅝ 6 (9Ap91)
Lloyds Bank PLC10¼% Subord Bds 1998(Br£10000) – £94½ ⅝ (8Ap91)
Morgan Guaranty Tst Co of New York 12⅝% Deposit Nts 1994 – £103
Nationwide Anglia Building Society11¼% Nts 1997 (Br £5000 & 100000) – £99⅝ (5Ap91)
New Zealand9% Nts 1994 – $102.4 (10Ap91)
9⅞% Nts 1993 – £96⅝ (8Ap91)
Next PLC5¾% Cnv Bds 2003 – £102
6¾% Cnv Bds 2002 – £107 10 (8Ap91)
Norway (Kingdom of)10¾% Nts 1994 (Br£1000,10000&100000) – £99⅜
Pearson PLC10½% Bds 2006 – £87⅝ (10Ap91)
Peninsular & Oriental Steam Nav Co4¾% Cnv Bds 2002 – £106
11⅞% Bds 2014 (Br£10000&100000) – £92⅝ (10Ap91)
Prudential Funding Corp8¾% Nts 1994 – $100¾ 1 (5Ap91)
RMC Capital Ld6¾% Cnv Cap Bds 2006 (Br £5000&50000) – £102¾ ¼
Ranks Hovis McDougall PLC4¾% Cnv Bds 2003 (Br£5000) – £114 (8Ap91)
Royal Bank of Scotland PLC10⅝% Subord Bds 1998 (Br£5000&25000) – £97 (5Ap91)
Saatchi & Saatchi Finance N.V.6¾% RedCnvPrf 2003£1(BrShs1000&10000) – £59 (10Ap91)
Sainsbury(J) PLC10¾% Nts 1993 (Br£5000) – £99 ¾
Sainsbury (J) (Capital) Ld5% Cnv Cap Bds 2004 (Br£5) – £145½ 6 (10Ap91)
Sainsbury (J.)(Channel Islands)Ld 8⅜%CnvCapBds 2005(Br – £126¾ ½ (10Ap91)
Slough Estates PLC6% Cnv Bds 2003 – £104½ (9Ap91)
Smith & Nephew Associated Cos PLC4% Cnv Bds 2002 – £112¾
Smith & Nephew Finance N.V.8¾% Gtd Red Cnv Prf 2004 (Br) – £110½ (10Ap91)
Sweden(Kingdom of)9¾% Nts 1993 – £97⅝ ½ (8Ap91)
Tarmac Finance (Jersey) Ld9½% Cnv Cap Bds 2006 (Reg £1000) – £102½
9½% Cnv Cap Bds 2006(Br £5000&50000) – £102 (9Ap91)
Tesco Capital Ld9% Cnv Cap Bds 2005(Reg) – £129 30
9% Cnv Cap Bds 2005(Br£5000&10000) – £129 (8Ap91)
THORN EMI Capital NV5¾% Gtd Red Cnv Prf 2004 (Br£5000) – £112⅝
Trafalgar House PLC10¾% Bds 2014 (Br£10000&100000) – £85⅝ (10Ap91)
United Biscuits Finance NV5¾% Gtd Red Cnv Prf 2003 – £125 (5Ap91)
United Newspapers Capital Ld6% Gtd Exch Prf Shs – £106 ⅝ (8Ap91)

Sterling Issues by Overseas Borrowers
No. of bargains included31

American Brands Inc12⅝% Uns Ln Stk 2009 – £94⅝ 5 (10Ap91)
Asian Development Bank10¾% Ln Stk 2009(Reg) – £96⅞
Bank of Greece10¾% Ln Stk 2010(Br) – £86 (8Ap91)
Caisse Centrale De Cooperation Econ 12¾% Gtd Ln Stk 2013(Reg) – £113½
Caisse Nationale Des Autoroutes16% Gtd Ln Stk 2006 – £138¼ (10Ap91)
Cigna Overseas Finance NV13% Uns Ln Stk 2006 – £100¼♦
Credit Foncier De France14¾% Gtd Ln Stk 2007(Reg) – £129½ (10Ap91)
Electricite de France11¾% Gtd Ser Ln Stk 2009/12(Reg) – £108⅝
European Investment Bank9% Ln Stk 2001 (Reg) – £90⅝ ¾ ¾ ⅝ ⅞
9½% Ln Stk 2009 – £91⅜
10⅝% Ln Stk 2004(Reg) – £97⅞ ¾ ⅞ 8 ⅛
11% Ln Stk 2002(Reg) – £102 ¼ ⅜ (10Ap91)
Finland(Republic of)11⅝% Ln Stk 2009 (Reg) – £104⅛
Hydro-Quebec12.75% Ln Stk 2015 – £110⅞ ½ (5Ap91)
Iceland(Republic of)14⅝% Ln Stk 2016 – £118⅝
Inco Ld15⅜% Uns Ln Stk 2008 $ Rep Opt – £111♦
Inter-American Development Bank9¾% Ln Stk 2015 – £91⅝ ⅞
International Bank for Rec & Dev9¾% Ln Stk 2010(Reg) – £91⅞
11.5% Ln Stk 2003 – £105⅞ 6¼
Ireland12½% Ln Stk 2008(Reg) – £110⅞
Malaysia10¾% Ln Stk 2009(Reg) – £90½ (9Ap91)
10¾% Ln Stk 2009(Br) – £92½ (9Ap91)
New Zealand7¾% Stk 88/92 – £94½ 5 (10Ap91)
11¾% Stk 2008(Reg) – £101⅝
Nova Scotia(Province of)11¾% Ln Stk 2019 – £102⅞ (5Ap91)
Petroleos Mexicanos14½% Ln Stk 2006 – £102♦
Portugal(Rep of)9% Ln Stk 2016(Reg) – £81½
Spain(Kingdom of)11¾% Ln Stk 2010(Reg) – £105⅜ (10Ap91)
Sweden(Kingdom of)9¾% Ln Stk 2014(Reg) – £90½ (8Ap91)
13.5% Ln Stk 2010(Reg) – £120¾ ⅞ (10Ap91)
Transcanada Pipelines Ld16½% 1st Mtg Pipe Line Bds 2007 – £125♦
United Mexican States16½% Ln Stk 2008(Reg) – £115

Banks and Discount Companies
No. of bargains included2631

ABN-AMRO Hldgs N.V.Ord FL5 – FL56.8 .85 .95 7 .1 .1
Bank of Ireland(Governor & Co of)7% Ln Stk 86/91 – I£98 (5Ap91)
Barclays PLCADR (4:1) – $32⅝ (9Ap91)
Barclays Bank PLC7¾% Uns Cap Ln Stk 86/91 – £97 (10Ap91)
8¾% Uns Cap Ln Stk 86/93 – £90 2 ⅛ 3⅛
12% Uns Cap Ln Stk 2010 – £106½
16% Uns Cap Ln Stk 2002/07 – £126⅞ ⅝ ⅞ ⅝ (10Ap91)
Barings PLC8% Cum 2nd Prf £1 – 81½ (5Ap91)
Commerzbank AgCdbr(les Warburg) DM10 – DM54.2 (9Ap91)
Co-Operative Bank PLC9.25% Non-Cum Irrd Prf £1 – 88½ ⅝
HSBC Hldgs PLCOrd $H10 – $H1.7 1.77 1.78 1.79 1.8 1.81 1.82 1.83 1.86 1.87
Hambros PLCNon Vtg £1 – 50 (5Ap91)
Kyowa Bank LdShs of Com Stk Y50 – Y1150 50
Lombard North Central PLC6% Cum 1st Prf £1 – 50♦
Midland Bank PLC7½% Subord Uns Ln Stk 83/93 – £90½ ¾
10¾% Subord Uns Ln Stk 93/98 – £94¾ (10Ap91)
14% Subord Uns Ln Stk 2002/07 – £111 ¾ ⅞
Mitsubishi Trust & Banking CorpShs of Com Stk Y50 – Y1843.34 7.9 56.48648
National Westminster Bank PLC7% Cum Prf £1 – 55 60
9% Subord Uns Ln Stk 1993 – £93 ¼
12½% Subord Uns Ln Stk 2004 – £106⅝ ½ ⅝
Royal Bank of Scotland Group PLC11% Cum Prf £1 – 98½ (9Ap91)
Schroders PLC8¾% Uns Ln Stk 97/2002 – £79⅝ 80 (10Ap91)
Smith.St.Aubyn(Hldgs) PLC9¾% Cum 2nd Prf £1 – 78♦
Standard Chartered PLC12¾% Subord Uns Ln Stk 2002/07 – £98⅝
TSB Group PLC10¾% Subord Ln Stk 2008 – £92⅞ ⅜ ⅞ 3 ¼ ⅜ ¾ 4
TSB Hill Samuel Bank Holding Co PLC8% Uns Ln Stk 89/94 – £92⅝
Warburg (S.G.) Group PLC7¾% Cum Prf £1 – 75 ½ (8Ap91)
Wells Fargo & CompanyShs of Com Stk $5 – £41.9♦

Breweries and Distilleries
No. of bargains included1175

Allied-Lyons PLCADR (1:1) – $9⅝ (5Ap91)
5¼% Cum Prf £1 – 42
7¼% Cum Prf £1 – 60 5½ (10Ap91)
6¾% Red Deb Stk 88/93 – £87 (10Ap91)
7¼% Red Deb Stk 88/93 – £90 (10Ap91)
11¼% Deb Stk 2009 – £105 (10Ap91)
6¼% Uns Ln Stk – £50 (9Ap91)
7¾% Uns Ln Stk 93/98 – £90 3
Bass PLC4% Cum Prf £1 – 34 (10Ap91)
7% Cum Prf £1 – 58 (10Ap91)
3¾% Deb Stk 87/92 – £83 (10Ap91)
8¼% Deb Stk 87/92 – £95 ¼ ⅜
10⅛% Deb Stk 2016 – £94⅞ ½
4¾% Uns Ln Stk 92/97 – £86
7¾% Uns Ln Stk 92/97 – £83 5½
Bass Investments PLC7¾% Uns Ln Stk 92/97 – £85 (8Ap91)
Boddington Group PLC8½% Cnv Uns Ln Stk 2000/05 – £167 8
Bulmer(H.P.)Hldgs PLC9½% Cum Prf £1 – 84 (9Ap91)
8¾% 2nd Cum Prf £1 – 90
Devenish(J.A.) PLC3.85% Cum Prf Stk £1 – 49 50 (9Ap91)
Everards Brewery Ld5% Cum Prf £1 – 56 (10Ap91)
Greenall Whitley PLC"A" Ord 5p – 190 (8Ap91)
8% Cum Prf £1 – 63 72 3
8¼% Irrd Uns Ln Stk – £88
Guinness PLCADR (5:1) – $63⅛ (9Ap91)
Hardys & Hansons PLCOrd 25p – 945
Macallan-Glenlivet PLC6¾% Cnv Uns Ln Stk 2006 – £850 (8Ap91)
Mansfield Brewery PLCOrd £1 – 435 8 (8Ap91)
Marston,Thompson & Evershed PLC4¼% Red Deb Stk 1992 – £80 (10Ap91)
7% Uns Ln Stk 93/98 – £84 (10Ap91)
Scottish & Newcastle Breweries PLC4.6% Cum Prf £1 – 54
5.425% Cum Prf £1 – 75 (8Ap91)
7% Cnv Cum Prf £1 – 170
7.6% 1st Mtg Deb Stk 89/94 – £93 5 ⅜
Seagram Distillers PLC12¾% Deb Stk 2012 – £107⅝ (10Ap91)
Vaux Group PLC10.75% Deb Stk 2019 – £95¾
11¾% Deb Stk 2010 – £103 (10Ap91)
Watney,Mann & Truman Hldgs PLC4¼% Red Deb Stk 88/93 – £83 (10Ap91)
7% Red Deb Stk 88/93 – £91
7¾% Red Deb Stk 87/92 – £93‡ (9Ap91)
7¾% Red Deb Stk 88/93 – £88½
12½% Red Deb Stk 2008 – £108 ¼ ½ (8Ap91)
Whitbread PLCB Ord 25p – £13
6% 3rd Cum Prf Stk £1 – 50 (9Ap91)
7% 3rd Cum Prf Stk £1 – 57
4½% Red Deb Stk 99/2004 – £55‡ (5Ap91)
9¾% Red Deb Stk 91/96 – £94 (8Ap91)
7¾% Uns Ln Stk 95/99 – £80 1½
7¾% Uns Ln Stk 96/2000 – £84½ (8Ap91)
10¾% Uns Ln Stk 2000/05 – £95 (10Ap91)
Wolverhampton& Dudley Breweries PLC 6% Cum Prf(Ptg) £1 – 60 (5Ap91)

Registered Housing Associations
No. of bargains includednil

North Housing Association LdZero Cpn Ln Stk 2027 – 185 (9Ap91)

Commercial, Industrial, etc
No. of bargains included16767

AAH Hldgs PLC4.2% Cum Prf £1 – 43 (9Ap91)
ADT LdADR (10:1) – $15⅝ .6 .82 ⅝ ⅝ 6.105 ⅜ ⅝ ⅜
AMEC PLC15% Uns Ln Stk 1992 – £100 4
APV PLC5.25% Cum Prf £1 – 55 (8Ap91)
Aegis Group PLC55% Cnv Cum Red Prf 1999 10p – 85 (5Ap91)
Airedale Hldgs PLC7.5p (Net) 1st Red Prf 50p – 1½ (5Ap91)
Airtours PLCWarrants to sub for Ord – 120
Albert Fisher Group PLCWarrants To Sub For Ord – 3⅞ ⅜ 4
ADR (10:1) – $21⅝
Albright & Wilson Ld6% Deb Stk 87/92 – £83
Alcan Aluminium LdCom Shs of NPV – $21 (9Ap91)
Alexanders Hldgs PLC"A"(Rst.V)Ord 10p – 13 (9Ap91)
Alexon Group PLC6.25p (Net) Cnv Cum Red Prf 10p – 132
Alliance Resources PLCOrd 10p – $0.76 p 43
Allied-Signal IncShs of Com Stk $1 – $29 ⅜ (5Ap91)
American Brands IncShs of Com Stk $3.125 – $42¼ ½
Anglo United PLCCnv Red Prf 10p – 63 3 4 5 (10Ap91)
Arcolectric(Hldgs) PLCOrd 5p – 99
Associated British Foods PLC5½% Uns Ln Stk 87/2002 50p – 36 (9Ap91)
7½% Uns Ln Stk 87/2002 50p – 35 (9Ap91)
Associated Fisheries PLC8¼% Uns Ln Stk 91/96 – £77¼ (8Ap91)
Atlas Copco ABA Shs SK25 – SK222 3
Attwoods PLCADR (5:1) – $23⅜
Attwoods (Finance) NV6½p Gtd Red Cnv Prf 5p – 147
Austin Reed Group PLCOrd 25p – 390 (8Ap91)
Automated Security(Hldgs) PLC5% Cnv Cum Red Prf £1 – 145
6% Cnv Cum Red Prf £1 – 105 ⅛ 6⅛ 7
Ayrshire Metal Products PLCOrd 25p – 72 (8Ap91)
B.A.T Industries PLCADR (1:1) – $12.288 ⅜ .52 ⅜ .57
BET PLCADR (4:1) – $12.638
BICC PLC5¾% 2nd Cum Prf Stk £1 – 42 (8Ap91)
7¾% Deb Stk 90/95 – £86
BM Group PLC4.9p (Net) Cnv Cum Red Prf 20p – 162⅜ 3½ 8 8 (8Ap91)
BOC Group PLC3.5% Cum 2nd Prf £1 – 39 (8Ap91)
12¾% Uns Ln Stk 2012/17 – £105⅜
BS Group PLCOrd Stk 5p – 90 115 20
BTP PLC7.5p(Net) Cnv Cum Red Prf 10p – 125
BTR PLCADR (4:1) – $28⅞ (8Ap91)
Bario Group PLCOrd Ir£0.10 – £0.3 (8Ap91)
Barrow Hepburn Group PLC7.75% Cum Prf £1 – 68 (5Ap91)
Beattie(James) PLC6% Cum Prf £1 – 45 (8Ap91)
Beazer PLC8.67% Cum Red Prf £1 – 70 (8Ap91)
8½% Cnv Uns Ln Stk 2000 – £131
Bellway PLC9.5% Cum Red Prf 2014 £1 – 83⅜ (10Ap91)
Bennett & Fountain Group PLCWarrants to sub for Ord – 4⅜
Bibby(J.) & Sons PLC4.2% Cum Prf £1 – 38 (10Ap91)
Blackwood Hodge PLC9% Cum Red Prf £1 – 40
Blue Circle Home Products PLC7¾% Uns Ln Stk 87/92 – £90 (8Ap91)
Blue Circle Industries PLC6¾% Uns Ln Stk(1975 or aft) – £80 (5Ap91)
Booker PLCADR (4:1) – $33 (9Ap91)
Boosey & Hawkes PLC5½% Red Cum 1st Prf £1 – 48
7% Cum Prf £1 – 61
Boots Co PLC7¾% Uns Ln Stk 88/93 – £90⅝ (10Ap91)
Braime(T.F.&J.H.)(Hldgs) PLCOrd 25p – 304 (5Ap91)
Braithwaite PLCCnv Prf 50p – 54 (8Ap91)
Bridon PLC8% Deb Stk 88/93 – £91 (10Ap91)
7¾% Uns Ln Stk 2002/07 – £71 (5Ap91)
British Airways PLCADR (10:1) – $29⅜ (10Ap91)
British Alcan Aluminium PLC10¾% Deb Stk 89/94 – £94 (8Ap91)
British-American Tobacco Co Ld5% Cum Prf Stk £1 – 42 (9Ap91)
6% 2nd Cum Prf Stk £1 – 52½ (10Ap91)
British Fittings Group PLC5.5% Cnv Red Prf £1 – 72 (10Ap91)
British Polythene Industries PLC9.25% Cum Red Prf £1 – 80 3 (8Ap91)
British Shoe Corp Hldgs PLC6¾% Cum Prf £1 – 45‡ (8Ap91)
5¾% Cum 2nd Prf £1 – 46 (8Ap91)
British Steel PLCOrd 50p – 136 8 ⅜ .93 9 9 ⅜ 40 40 ⅛ .57 1 1 ⅜ 2 2‡
ADR (10:1) – £14.12 $ 24.73618 ⅜
British Sugar PLC10¾% Red Deb Stk 2013 – £96⅝ ⅜ (8Ap91)
British Syphon Industries PLCOrd 20p – 100 (5Ap91)
Broadstoner Hldgs PLC6% Cum Prf £1 – 47♦
Brown & Jackson PLC10.75% Cnv Cum Prf £1 – 75♦
Brown(John) PLC5¾% Sec Ln Stk 2003 – £59
Bulgin(A.F.) & Co PLCOrd Stk 5p – 75 (9Ap91)
Bunzl PLC7% Cnv Uns Ln Stk 95/97 – £73
Burndene Investments PLC15% Uns Ln Stk 2007/12 – £80 (8Ap91)
Burton Group PLC8% Cnv Uns Ln Stk 1996/2001 – £71
CNA Gallo LdOrd R0.10 – 400 (9Ap91)
CRH PLC7% "A" Cum Prf Ir£1 – I£0.57 (5Ap91)
CRT Group PLCOrd 10p – 97 100
Cadbury Schweppes PLC8¾% Uns Ln Stk 94/2004 – £90
Caird Group PLC7p Cum Cnv Red Prf 2009 10p – 66 (10Ap91)
Canadian Overs Pack Industr LdCom Npv – 440
Cardo Engineering Group PLC10½% Cum Red Prf £1 – 75 (10Ap91)
Caterpillar IncShs of Com Stk $1 – $47
Channel Tunnel Investments PLC5p – 52
Charter Consolidated PLC2p(Br) (Cpn 53) – $6⅛ (9Ap91)
Chepstow Racecourse PLCOrd 25p – £12½ (10Ap91)
Chloride Group PLC6% Cum Prf Stk £1 – 30 (9Ap91)
Church(Charles)Developments PLC9.375% Cum Red Prf £1 – 8 9 (5Ap91)
Cityvision PLC8.5%(Net) Cnv Cum Red Prf £1 – 100♦
Clyde Blowers PLCOrd 25p – 235 (8Ap91)
Coats Patons PLC6¾% Uns Ln Stk 2002/07 – £62
7½% Uns Ln Stk 90/95 – £80
Coats Viyella PLC4.9% Cum Prf £1 – 44♦
Cohen(A.) & Co PLCNon.V "A" Ord 20p – 375
Colorvision PLCOrd 5p – 162 (10Ap91)
Cookson Group PLC7% Cum Prf £1 – 43
Cooper (Frederick) PLC6.5p (Net) Cnv Red Cum Ptg Prf 10p – 60 3
Courtaulds PLC7¾% Deb Stk 89/94 – £89
5½% Uns Ln Stk 94/96 – £76
6¾% Uns Ln Stk 94/96 – £82⅛♦
7¾% Uns Ln Stk 94/96 – £79 83
7¾% Uns Ln Stk 2000/05 – £73
Courtaulds Coatings (Holdings) Ld8¾% Uns Ln Stk 90/95 – £82
7¾% Cum Prf Stk £1 – 66 (8Ap91)
Croda International PLC6.6% Cum Prf £1 – 60‡ (8Ap91)
DAKS Simpson Group PLCOrd 25p – £32 (5Ap91)
Dairy Farm International Hldgs LdOrd $0.05(Hong Kong Register) – $H12
Dalgety PLC4.85% Cum Prf £1 – 55 (10Ap91)
Dana Ld9% Uns Ln Stk 87/92 – £87 (5Ap91)
Debenhams PLC7¾% 2nd Deb Stk 91/96 – £79‡ (5Ap91)
6½% Uns Ln Stk 86/91 – £90
7¾% Uns Ln Stk 2002/07 – £57
7¾% Uns Ln Stk 2002/07 – £62
Delta PLC10¾% Deb Stk 95/99 – £98 (10Ap91)
Dencora PLC6.25% Cum Cnv Red Prf £1 – 93 (9Ap91)
Dewhirst Group PLC9.75% Cum Prf £1 – 80 (10Ap91)
Dewhurst PLCOrd 10p – 75 7 (5Ap91)
Dewhurst Dent PLC7% Uns Ln Stk 90/2000 – £60 (5Ap91)
Dixons Group PLCADR (3:1) – $9.97
Dowty Group PLC7% Cnv Cum Red Prf £1 – 92 .453 ⅜ ⅜ ⅜ 3 ⅜ 4 6 7
E-Systems IncCom Shs $1 – $37⅜ (9Ap91)
ECC Group PLCADR (3:1) – $23⅜ (9Ap91)
EMC Group PLCOrd 5p – 75⅜ 6 ⅜ (9Ap91)
Egerton Trust PLC9.75% 1st Cum Red Prf £1 – 23 (10Ap91)
Elliott(B.) PLC7% Cnv Cum Red Prf £1 – 75
Elys(Wimbledon) PLCOrd 25p – 700 800 (9Ap91)
Empire Stores Group PLC6¾% Deb Stk 91/96 – £88
Ericsson(L.M.)(Telefonaktiebolaget)Ser B(Reg)SK10 – $33⅝ SF47.4 SK196.16 ½ ⅛ 9 9 .116 ⅜ ⅜ ⅜ ⅜ 200 1.166125
Euro Disneyland S.C.A.Shs FR10 (Depositary Receipts) – £11.6 11.65 11.7 11⅜ 11⅜ 11.8 $ 21.1
Shs FR10 (Br) – $21⅜ FR118 .2 ½ ⅜ .6 .6 ⅜ .83 9 .07 .2
European Colour PLC6¾% Cum Ptg Prf £1 – 48 (9Ap91)
European Leisure PLC8.75p (Net) Cnv Cum Red Prf 25p – 65 8 (8Ap91)
Eurotunnel PLC/Eurotunnel SAUnits (1 EPLC Ord 40p & 1 ESA FR10) (Br) – FR47.95
Units (Sicovam Inscribed) – FR47 .7 .85 .95 .94 .97 8.03 .15 ⅜ .4
Fndr Wts(1EPLC & 1ESA WrttoSub 10 Units) – 36 38
Evered Bardon PLC7.25p (Net) Cnv Red Prf 25p – 108½
3.85% Cum Prf £1 – 43
11.25p Cum Red Prf 2005 10p – 108½ ⅜ 9½ (10Ap91)
Excalibur Group PLC11.5% Cum Prf £1 – 66
FII Group PLC7.7% Cnv Cum Red Prf 95/99 £1 – 170
Ferranti International PLC5.6% 1st Cum Prf £1 – 20 (9Ap91)
3.85% 3rd Cum Prf £1 – 15
Fine Spinners & Doublers Ld4% 1st Mtg Deb Stk Red – £32 (9Ap91)
Finlan Group PLCOrd 1p – 3½ 4½ 5
Fisons PLCADR (4:1) – $34⅜ ½ ⅜ ⅞
5¾% Uns Ln Stk 2004/09 – £60 (10Ap91)
Fitzwilton PLC6½% Cum Prf IR£1 – I£0.45 (10Ap91)
Fluor CorpCom $0.625 – $46⅜
Folkes Group PLCOrd 5p – 56 (10Ap91)
Fortnum & Mason PLCOrd Stk £1 – £45 (10Ap91)
Francis Industries Ld9% Uns Ln Stk 94/99 – £85‡ (5Ap91)
Friendly Hotels PLC4¾% Cnv Cum Red Prf £1 – 113 (9Ap91)
5% Cnv Cum Red Prf £1 – 187 (10Ap91)
7% Cnv Cum Red Prf £1 – 112
GKN (United Kingdom) PLC10¾% Gtd Deb Stk 90/95 – £96⅝ (8Ap91)
General Electric Co PLCADR (1:1) – $3.63
7¾% Uns Ln Stk 87/92 – £93
7¾% Uns Ln Stk 88/93 – £87 (10Ap91)
Gestetner Hldgs PLC10% Uns Ln Stk 90/95 – £94 (5Ap91)
Gibbs & Dandy PLCOrd 10p – 95 (8Ap91)
Glaxo Group Ld8¾% Uns Ln Stk 85/95 50p – 40 (8Ap91)
Glynwed International PLC7¾% Cum Prf £1 – 58 (5Ap91)
10¾% Uns Ln Stk 94/99 – £94½ (10Ap91)
Grace (W.R.) & CoCom Stk $1 – $30⅞ (5Ap91)
Grand Metropolitan PLC4¾% Cum Prf £1 – 42 (9Ap91)
5% Cum Prf £1 – 40 (5Ap91)
6¾% Cum Prf £1 – 45 (5Ap91)
Great Universal Stores PLC6¾% Uns Ln Stk 93/98 – £84
Greenwich Resources PLCOrd 5p – 26 (10Ap91)
Hall Engineering(Hldgs)PLC5.56% Cum Prf £1 – 55 65
Halma PLC11% Cum Prf £1 – 78 (8Ap91)
Halstead(James) Group PLC5½% Cum Prf £1 – 43 (8Ap91)
Hampson Industries PLC8% Uns Ln Stk 88/93 – £80
Hasbro IncShs of Com Stk $0.50 – $24⅝ (9Ap91)
8% Cnv Prf Stk $2.50 – £0.24125 (9Ap91)
Hawker Siddeley Group PLC5¾% Cum Prf £1 – 43
7¾% Deb Stk 87/92 – £90 3 (5Ap91)
Hepworth Capital Finance Ld11.25% Cnv Cap Bds 2005 (Reg) – 131 ½ 2 2 ½ ⅝
Hercules IncShs of Com Stk of NPV – $33⅝ (5Ap91)
Hestair Consumer Products Ld6% Uns Ln Stk 85/95 – £50‡ (8Ap91)
Hillsdown Hldgs PLCADR(4:1) – $18.59 (8Ap91)
Honda Motor Co LdShs of Com Stk Y50 – Y1420 8⅜ .888888 .89 30
Hong Kong Land Hldgs LdOrd $0.10 (Hong Kong Reg) – $H8.1 .15449 .24551 ⅜
House of Fraser PLC8% Mtg Deb Stk 86/91 – £96⅜ (5Ap91)
8¾% Uns Ln Stk 93/98 – £90♦
Howard & Wyndham PLC18% Uns Ln Stk 76/91 – £30
Hunterprint Group PLCOrd 5p – 23 5
IMI PLC7¾% Uns Ln Stk 86/91 – £97
7¾% Uns Ln Stk 88/93 – £90 92⅜ (5Ap91)
Iceland Frozen Foods Hldgs PLCCnv Cum Red Prf 20p – 105 ½ ⅜ 7
Illingworth,Morris Ld6½% Cum 2nd Prf Stk £1 – 30‡ (8Ap91)
Jardine Matheson Hldgs LdOrd $0.25 (Hong Kong Register) – $H34.2 ⅜ .355
Johnson & Firth Brown PLC11% Uns Ln Stk 93/98 – £86♦
Johnson Group Cleaners PLC7.5p (Net) Cnv Cum Red Prf 10p – 102
Johnson,Matthey PLC8% Cnv Cum Prf £1 – 550 (8Ap91)
Johnston Group PLC10% Cum Prf £1 – 65 (8Ap91)
Kajima CorpShs of Com Stk Y50 – Y1580 3.333333 90 3.89 600 .582524
Kelsey Industries PLC11¾% Cum Prf £1 – 96
Keppel Corporation LdOrd $S1 – $S7.267924 .284634 (9Ap91)
Kvaerner A.S.B Shs NK12.50 – NK162 3 3 .92 4 .155 ⅜ .56 5.85
Kymmene CorporationShs FM20 (Unrestricted) – FM80 (5Ap91)
Ladbroke Group PLCADR (1:1) – $4.95 (8Ap91)
Lamont Hldgs PLC10% 3rd Cum Prf £1 – 87¼‡
Laporte PLC8% Deb Stk 93/98 – £85
Latham(James) PLC8% Cum Prf £1 – 66
Lewis(John)Partnership PLC7½% Cum Prf Stk £1 – 67 (8Ap91)
Life Sciences International PLC8% Cum Cnv Red Prf £1 – 290
Lilleshall PLC8% (Net) Cum Cnv Red Prf £1 – 102
Lilly (Eli) & CoShs of Com Stk NPV – $60⅜
Lionheart PLCCnv Cum Red Prf 20p – 60 (10Ap91)
Lloyd(F.H.)Hldgs PLC7¾% Uns Ln Stk 81/91 – £95 (5Ap91)
Lockheed CorporationShs of Com Stk $1 – $41.47♦
London Cremation Co Ld10% Cum Prf £1 – 100
London International Group PLCADR (5:1) – $23 23.28 (8Ap91)
Lonrho PLC10¾% 1st Mtg Deb Stk 97/2002 – £93⅝ (10Ap91)
9% 2nd Mtg Deb Stk 87/92 – £90
Lookers PLC8% Cnv Cum Red Prf £1 – 73
Low(Wm) & Co PLC6.75% Cum Cnv Red Prf £1 – 151 2 3½
Lowe(Robert H.) & Co PLC87.5% (Net) Cnv Cum Red Prf 10p – 41 (9Ap91)
MMI PLCWts to Sub for Ord – 10 (9Ap91)
McAlpine(Alfred) PLC9% Cum Prf £1 – 75 (9Ap91)
McCarthy & Stone PLC8.75% Cum Red Prf 2003 £1 – 81 4 (10Ap91)
7% Cnv Uns Ln Stk 99/04 – £59 60 (9Ap91)
Mandarin Oriental International LdOrd $0.05 (Hong Kong Reg) – $H5.3245 .354074 (9Ap91)
Manders(Hldgs) PLC5% Cum Prf £1 – 30‡ (8Ap91)
Manganese Bronze Hldgs PLC8¾% Cum Prf £1 – 50 (10Ap91)
Marks & Spencer PLCADR (6:1) – $28.14
7% Cum Prf £1 – 57
10% Cum Prf £1 – 93 (10Ap91)
Marley PLC11¾% Deb Stk 2009 – £99⅝ (10Ap91)
Marshalls PLC10% Cum Prf £1 – 87
Medeva PLCWarrants to sub for Ord – 75 6 8
Menzies(John) PLC9% Cum Prf £1 – 88
Merchant Retail Group PLC9¾% Cnv Uns Ln Stk 99/04 – £86♦
Michelin Tyre PLC9½% Deb Stk 92/97 – £86
Mitel CorporationCom Shs of NPV – £0.77 (5Ap91)
Mitsubishi Electric CorporationShs of Com Stk Y50 – Y791.324 3.677692 (10Ap91)
Monsanto CoCom Stk $2 – $55⅞ (9Ap91)
Montedison S.P.A.Savings Shs L1000 (Cpn 7) – L1030 (8Ap91)
Mount Charlotte Investments PLC10¾% 1st Mtg Deb Stk 2014 – £94⅝
NCR CorpCom Stk $5 – $96.845♦
NMC Group PLCWarrants to sub for Shs – 55 (8Ap91)
NSM PLC8.5p (Net) Cnv Cum Red Prf 10p – 54
National Medical Enterprises IncShs of Com Stk $0.05 – £27⅞ (10Ap91)
News International PLC7% 1st Cum Prf £1 – 25 (5Ap91)
Next PLC6% Cum Prf £1 – 20 (9Ap91)
Norsk Data ASClass "B" (Non Vtg) NK20 – $4.65 DM7.95 NK30.1
North Midland Construction PLCOrd 10p – 42 (10Ap91)
Northern Engineering Industries PLC3% Cum Red Prf £1 – 31 (8Ap91)
8¾% Uns Ln Stk 88/93 – £91 (10Ap91)
Owen & Robinson PLC8¾% (Net) Cnv Cum Red Prf £1 – 60 (5Ap91)
PFG Hodgson Kenyon Intl PLC6.75% Cnv Prf 91/2001 10p – 71½
Palma Group PLC3.5% Cum Prf £1 – 20
Paramount Communications IncCom Stk $1 – £22.15 $ 39.95
Paterson Zochonis PLC10% Cum Prf £1 – 93 6
Pearson PLC13.625% Uns Ln Stk 2007 – £115 (9Ap91)
Perkins Foods PLC8p(Net) Cum Cnv Red Prf 10p – 129
Persimmon PLCNew Ord 10p (Nil Pd–17/4/91) – 35 6 ½
Pittard Garnar PLC9¾% Cum Prf £1 – 37 8 40
Porter Chadburn PLC8% Cnv Cum Red Prf 1993 £1 – 118 (9Ap91)
Pressac Holdings PLC10.5% Cum Prf £1 – 80‡ (5Ap91)
Queens Moat Houses PLC10¾% 1st Mtg Deb Stk 2020 – £91
Quicks Group PLC10% Cum Prf £1 – 70‡ (8Ap91)
RPH Ld8% Deb Stk 92/96 – £89⅜ (5Ap91)
4½% Uns Ln Stk 2004/09 – £30 55
7¾% Uns Ln Stk 87/92 – £93 (9Ap91)
9% Uns Ln Stk 99/2004 – £70
Racal Electronics PLCADR (2:1) – $9.06
Racal Telecom PLCADR(10:1) – £99.95 $ 98.9977 9⅜
Ramar Textiles PLC5% Cum Prf £1 – 25
Rank Organisation PLCADR (1:1) – $13⅜
Ranks Hovis McDougall PLC6% Cum 1st Prf £1 – 56
6% Cum "B" Prf £1 – 50 (8Ap91)
8¾% Uns Ln Stk 90/94 – £92 (10Ap91)
8¾% Uns Ln Stk 91/95 – £80 88
Ransomes PLC8.25p (Net) Cum Cnv Prf 12.5p – 92
Ratners Group PLCADR (3:1) – $9⅜ (8Ap91)
Readicut International PLC6¾% Uns Ln Stk 88/93 – £87 (8Ap91)
Reckitt & Colman PLC5% Cum Prf £1 – 45 (9Ap91)
Rexmore PLC13%(Net)Cnv Cum Red Prf(91/92) £1 – 85 (10Ap91)
Richards PLC5¾% Cum Pfd 75p – 30 (9Ap91)
Rockware Group PLC6½% Cum Prf £1 – 45♦
7.25% Cnv Cum Red 2nd Prf £1 – 93
6% Uns Ln Stk 96/99 – £73 (8Ap91)
Rodime PLCADS – $0.17 (8Ap91)
Rohr Industries IncShs of Com Stk $1 – $20 (8Ap91)
Rugby Group PLC6% Uns Ln Stk 93/98 – £73
SD-Scicon PLCWarrants to sub for Ord – 3 (8Ap91)
Saatchi & Saatchi Co PLCADR (3:1) – $0.98 .98 1 ⅜ ⅜
6% Cnv Uns Ln Stk 2015 – £40
Sainsbury(J) PLCADR (1:1) – $6.83 (5Ap91)
7¾% 1st Mtg Deb Stk 87/92 – £92 (8Ap91)
8% Irrd Uns Ln Stk – £70 (5Ap91)
Scantronic Hldgs PLC5.75% Cnv Cum Red Prf £1 – 115 (8Ap91)
Scapa Group PLC8% Uns Ln Stk 88/93 – £82 (8Ap91)
Scholl PLC6¾% Cum Red Prf 2001/05 £1 – 98 (5Ap91)
5¾% Cnv Cum Red Prf 2006/11 £1 – 67 (10Ap91)
Sears PLC7¾% Cum Prf £1 – 48‡ (8Ap91)
12¾% Cum Prf £1 – 85‡ (8Ap91)
7¾% Uns Ln Stk 92/97 – £70
Securicor Group PLC4.68% Cum Ptg Prf £1 – £73⅜ (9Ap91)
Shoprite Group LdOrd 5p – 184
Sidlaw Group PLC7¾% Uns Ln Stk 2003/08 – £50
Simon Engineering PLC8¾% Deb Stk 92/97 – £84 (8Ap91)
Sirdar PLC7¼% Cum Prf £1 – 50
600 Group PLC4.55% Cum 2nd Prf £1 – 42
6¾% Uns Ln Stk 87/92 – £83
Slingsby(H.C.)PLCOrd 25p – 370 70
Smith (W.H.) Group PLC"B" Ord 10p – 75 6½ (10Ap91)
5¾% Red Uns Ln Stk – £35
SmithKline Beecham PLCADR (5:1) – $71 .487617
SmithKline Beecham PLC/SmithKline ADR (1:1) – $63.23 .35 .365
Smurfit(Jefferson)Group PLC10½% Uns Ln Stk 78/95 – I£90 (9Ap91)
9¾% Cnv Uns Ln Nts – £178 (8Ap91)
Stag Furniture Hldgs PLC11% Cum Prf £1 – 90 (9Ap91)
Staveley Industries PLC7¾% Uns Ln Stk(86/91) – £90 5 (8Ap91)
Sterling Industries PLC1st Prf(5½% Cum)£1 – 40 (5Ap91)
Stonehill Hldgs PLC10¾% Cum Prf £1 – 47 50 (5Ap91)
Storehouse PLC9% Cnv Uns Ln Stk 1992 – £92
Swan(John) & Sons PLCOrd 25p – 360 (8Ap91)
T & N PLC8% Mtg Deb Stk 87/92 – £91 (8Ap91)
TT Group PLC10.875% Cnv Cum Red Prf Shs £1 1997 – 121
Tarmac PLC6¾% Deb Stk 89/94 – £86 (5Ap91)
7¾% Deb Stk 92/97 – £87 (5Ap91)
Tate & Lyle PLC6¾%(4.55% plus tax credit)Cum Prf £1 – 54♦
8% Uns Ln Stk 2003/08 – £74 (10Ap91)
Tatlos Hldgs PLCWarrants to sub for Ord – 15 (5Ap91)
9% Cum Prf £1 – 60
Tesco PLC4% Uns Deep Disc Ln Stk 2006 – £47⅞ (8Ap91)
THORN EMI PLCWarrants to sub for Ord – 190 (8Ap91)
Thornton (G.W.) Holdings PLCOrd 5p – 97 (10Ap91)
Tilling(Thomas) PLC4.56% Cum Prf £1 – 50
5.25% Cum Prf £1 – 60 1 (5Ap91)
8¾% Uns Ln Stk 89/94 – £90 (10Ap91)
Tootal Group PLC7¾% Uns Ln Stk 89/94 – £86 7⅜ 8
Towles PLCOrd 10p – 195 (8Ap91)
Trafalgar House PLC8% Uns Ln Stk 94/99 – £77 (5Ap91)
9¾% Uns Ln Stk 2000/05 – £78 82
10¾% Uns Ln Stk 2001/06 – £89
Transport Development Group PLC4.7% Cum Prf £1 – 50 (10Ap91)
8¾% Uns Ln Stk 93/98 – £75 (8Ap91)
9¾% Uns Ln Stk 95/2000 – £89⅝ (5Ap91)
12¾% Uns Ln Stk 2008 – £101¼♦
Trustco. Finance PLC11¾% Sev Deb Stk 2016 – £101⅝♦
Trusthouse Forte PLCWarrants to sub for Ord – 52 (10Ap91)
10.5% Mtg Deb Stk 91/96 – £96 (10Ap91)
USKO LdOrd R0.50 – 22 (5Ap91)
Unigate PLC6¾% Uns Ln Stk 91/96 – £75 83½ (10Ap91)
Unigroup PLC7¾% Cum Cnv Red Prf £1 – 50 8 (5Ap91)
Unilever PLCADR (4:1) – £55.249158 55.59 55.78
5¾% Uns Ln Stk 91/2006 – £55 (10Ap91)
6% Uns Ln Stk 91/2006 – £60
Union International Co PLC6% Cum Prf Stk £1 – 40 (9Ap91)
7% Cum Prf Stk £1 – 54 (8Ap91)
Unisys CorpCom Stk $5 – $5.2 (10Ap91)
United Biscuits(Hldgs) PLC8% Deb Stk 93/98 – £87⅜
United Scientific Hldgs PLC5.5% Cnv Cum Non-Vtg Red Prf £1 – 45 5
Upton & Southern Holdings PLCOrd 25p – 14 (5Ap91)
Vickers PLC5% Cum(Tax Free To 30p)Prf Stk £1 – 55 (5Ap91)
Waddington(John) PLC6.6% Cum Prf £1 – 70
Wagon Industrial Hldgs PLC7.25p (Net) Cnv Ptg Prf 10p – 114½
Walker & Staff Hldgs PLCOrd 5p – 95¼ (5Ap91)
Walker(Thomas) PLCOrd 5p – 30
Warner-Lambert CoCom Stk $1 – $76⅜ ⅜
Waverley Cameron PLC6% Cum Prf £1 – 50
7.5p (Net) Cnv Cum Red Prf 5p – 15
Wembley PLC7.5% Cnv Uns Ln Stk 1999 – £75 (9Ap91)
Westland Group PLCWarrants to sub for Ord – 60 1 ⅜ .53
7¾% Cnv Cum Prf £1 – 155 6 (9Ap91)
7¾% Deb Stk 87/92 – £90 (10Ap91)
12¾% Deb Stk 2008 – £100 (10Ap91)
Whitecroft PLC4.1% Cum Prf £1 – 40
Widney PLC6.78% Cnv Cum Red 2nd Prf 2000 £1 – 20 (8Ap91)
Williams Hldgs PLC10¾% Cum Prf £1 – 85 (5Ap91)
Xerox CorpCom Stk $1 – $56
Yorkshire Chemicals PLC5% Cum Prf £1 – 45½ (10Ap91)
Yule Catto & Co PLC11¾% Cum Red Prf 1998/2003 £1 – 96 (10Ap91)

Electricity
No. of bargains included6940

Eastern Electricity PLCOrd 50p (Regd Int Cert–100p Pd) – 182 2 3 3 4 4 .41 ⅜ ⅜ .5923 .9075 5 5 .0925 .4073 ½ .59 .5926 6 6 6‡ ⅜ 7 7 7‡
East Midlands Electricity PLCOrd 50p (Regd Int Cert–100p Pd) – 197 7 8 8 ⅜ 9 9 200 .1 1 1 2
London Electricity PLCOrd 50p (Regd Int Cert–100p Pd) – 199 200 1 1 ⅜ 2 2 ⅜ .8985 3 3 ⅜ ⅜ 4 4 5 5
Manweb PLCOrd 50p (Regd Int Cert–100p Pd) – 237 8 8 9 9 40 1 .1205 ½ 2
Midlands Electricity PLCOrd 50p (Regd Int Cert–100p Pd) – 189 9 90 90 ⅜ ½ 1 .0955 ⅜ 2 3
National Power PLCOrd 50p (Regd Int Cert–100p Pd) – 128 8 ⅜ 9 9 ⅜ 30 30 ⅜ 1 1 ⅜ 2 2 .43 .4336 ⅜ ⅜ .5663 3 3 3‡ .07 ¼ ⅜ ⅜ ⅜‡ 4 4 .067 5
ADR (10:1) (Regd Int Cert–100p Pd) – $22⅜ (9Ap91)
Northern Electric PLCOrd 50p (Regd Int Cert–100p Pd) – 203 ⅜ 4 4 .8975 5 5 .1025 6 6 7
NORWEB PLCOrd 50p – £3.26 (10Ap91)
Ord 50p (Regd Int Cert–100p Pd) – 199 201 2 2 ⅜ 3 3 4 4‡ .102 .8875 5 5 .1025 ⅜ .8028 6 6 ⅜
PowerGen PLCOrd 50p (Regd Int Cert–100p Pd) – 128 6 ⅜ 7 7 ⅜ ⅜ .9872 8 8 .0128 .0788 ⅜ .5128 .5771 9 9 ⅜‡ .5129 .5777 .8278 30 30 ⅜ 1 1 2 2 ⅜ 3 3 ⅜ ⅜ .43 ⅜ .5868 .57 4 4 4‡ .07 ⅜ ⅜‡ 5 5 ⅜‡
SEEBOARD PLCOrd 50p (Regd Int Cert–100p Pd) – 194 5 6 6 7 7 .0966 8 9 .0995 200 200 2
Southern Electric PLCOrd 50p (Regd Int Cert–100p Pd) – 189 90 90 1 1 2 3 3 4 4 .097 ⅜ .5973 .6 5 5 6
South Wales Electricity PLCOrd 50p (Regd Int Cert–100p Pd) – 238 40 1 2 3 3 4 4 5 6 6 .123 7 8 9⅜ 50 1 2 3
South Western Electricity PLCOrd 50p (Regd Int Cert–100p Pd) – 207 7 8 8 9 9 ⅜ 10 1 2 3
Yorkshire Electricity PLCOrd 50p (Regd Int Cert–100p Pd) – 217 7 ⅜ 8 8 9 9 20 1 1‡
Regional Electricity Companies Package Units (Regd Int Cert–£1000 Pd) – £2015 5 20 5 30 30 2 5 5 7 40 40 2 5 5 7 50 50 3⅜ 5 5

Financial Trusts, Land, etc
No. of bargains included288

Aberdeen Trust PLCOrd 10p – 55 (10Ap91)
A Wts to Sub for Ord – 28 (8Ap91)
Aberforth Smaller Companies Tst PLCOrd 25p – 120
Wts to Sub For Ord – 37 (5Ap91)
Babcock Prebon PLC6.75p (Net) Red Cum Cnv Prf 20p – 29 (8Ap91)
8.5p (Net) Red Cum Cnv Prf 20p – 25 (5Ap91)
CMI Managed Portfolio Inv CoShs of NPV (Enterprise Portfolio Shs) – 78.8 (9Ap91)
Daily Mail & General Trust PLCOrd 50p – £52⅞ (9Ap91)
Exploration Co PLCOrd Stk 5p – 190 (9Ap91)
F & C Enterprise Trust PLCSer B Warrants to sub for Ord – 5♦
Warrants to sub for Ord – 14 (10Ap91)
First Debenture Finance PLC11.125% Severally Gtd Deb Stk 2018 – £98⅞ ⅜ ⅜
First National Finance Corp PLC10% Subord Uns Ln Stk 1992 – £93 (9Ap91)
Fleming Sterling Deposit Fund LdPtg Red Prf 1p – 356.9 (8Ap91)
G.T. Chile Growth Fund LdWarrants to sub for Ord – $4⅜
Greece Fund LdShs $0.01 (IDRs to Br) – $2450♦
IBI Global Funds LdPtg Red Prf $0.01(Sterling Shs) – £22.65 (10Ap91)
Ptg Red Prf $0.01(Managed Shs) – £23.05 (10Ap91)
INVESCO MIM Brit. Jersey Gilt Fd LdPtg Red Prf 1p – 17.24 (8Ap91)
Inchcape PLC10½% Uns Ln Stk 90/95 – £98 (5Ap91)
12½% Uns Ln Stk 93/98 – £95 100
Intl Stock Exchange of UK&Rep of IrLd 7¾% Mtg Deb Stk 90/95 – £88 (8Ap91)
Jupiter Tarbutt Merlin Hldgs PLCWarrants to sub for Ord – £0.57 0.62
Korea-Europe Fund LdShs $0.10 – £2.65♦
Shs(IDR to Br) $0.10 (Cpn 3) – $2462½
LIT Holdings PLC9.47% Cum Red Prf 5p – 13 4½
Malaysia Select Fund LdWarrants to sub for Ptg Shs – 20½♦
Malaysian Smaller Cos Fund (Cayman)Ld Ord $0.01 – $8⅝ (10Ap91)
Manila Fund (Cayman) LdPtg Red Prf $0.01 – $6 (10Ap91)
Mediterranean Fund LdIDRs (Br) (In denom of 10 Shs) – $840 (10Ap91)
Depositary Warrants (Br) – $20 (8Ap91)
Mercury Selected TrustShs NPV European Opportunities Fund(Reg) – $14.8 (9Ap91)
National Westminster (C.I.) Equity Fund Ld Ptg Red Prf 1p – 86.4
Practical Investment Co PLCOrd 10p – 113 5
Royal Trust Government Secs Fund LdPtg Red Prf 1p – 58.08 (10Ap91)
Scottish Asian Investment Co LdWarrants to sub for Ptg Shs – $1⅜ 2
Siam Smaller Companies Fund LdOrd $0.01 – $9⅜
Sime Darby Berhad$M 0.50 – 74 (8Ap91)
Smith New Court PLC12% Subord Uns Ln Stk 2001 – £78 (8Ap91)
TR Worldwide Strategy Fund SicavShs NPV (Europe Fund) – 139.82 (8Ap91)
Shs NPV (Japan Fund) – 90.74 (8Ap91)
Shs NPV (UK Special Opportunities Fund) – 136.31 (8Ap91)
TSB Gilt Fund LdPtg Red Prf 1p(Class"A" Ptg Red Prf) – 96.2 (8Ap91)
Thai Investment Fund LdPtg Red Pfd $0.01 – $14 5 6.1 (10Ap91)
Thailand International Fund LdPtg Shs $0.01 (IDR's to Br) – $14⅜ (5Ap91)
Thompson Clive Investments PLCOrd 50p – 113 4 (8Ap91)
Thornton Pacific Investment Fund SA£1 – 956 (10Ap91)
3i PLC7¾% "A" Deb Stk 89/92 – £93
7¾% "A" Deb Stk 91/94 – £89
9% "A" Deb Stk 91/94 – £93
Tyndall International Fund LdDistribution Shares 1p – 363.6 (8Ap91)
Value & Income Trust PLCWarrants 89/94 to sub for Ord – 13 (5Ap91)
Whitbread Investment Co PLC7–12% Stepped Int 2nd Deb Stk 2010 – £104¾♦

Insurance
No. of bargains included711

Alexander & Alexander Services IncShs of Class C Com Stk $1 – £13⅝ (5Ap91)
General Acc Fire&Life Assc Corp PLC 7¾% Uns Ln Stk 87/92 – £92⅜ (9Ap91)
7¾% Uns Ln Stk 92/97 – £83⅜ (10Ap91)
Guardian RoyalExchange AssurancePLC 7% Cum Red Prf £1 – 80 (8Ap91)
7% Uns Ln Stk 86/91 – £94 5 (10Ap91)
Skandia Group Insurance Co LdShs SK5 – SK171 3.38
Willis Corroon PLCADR (5:1) – $26⅜ 29.124029 29.15

Investment Trusts
No. of bargains included1192

Alliance Trust PLC5% Prf Stk – £42 (10Ap91)
Baillie Gifford Shin Nippon PLCWarrants to sub for Ord – 81 (8Ap91)
Bankers Investment Trust PLC4% Perp Deb Stk – £30
British Assets Trust PLC4½% Prf Stk(Cum) – £38 (9Ap91)
British Empire Sec & General Trust10¾% Deb Stk 2011 – £91⅜ (8Ap91)
British Investment Trust PLC11.125% Secured Deb Stk 2012 – £99½ (5Ap91)
Capital Gearing Trust PLCOrd 25p – 360 (9Ap91)
Contra-Cyclical Inv Tst PLCInc Shs 1p – 107 7 8 9 (10Ap91)
Cap Shs 25p – 25
Zero Div Pfd 50p – 55⅜
Drayton Blue Chip Trust PLCOrd 25p – 102 ⅜
Zero Div Prf £1 – 104½ 5⅜ 6
Drayton English & Int Trust PLC8.875% Cum Prf £1 – 95 ⅜ (9Ap91)
Dunedin Income Growth Inv Tst PLC3½% Cum Prf Stk – £40 (10Ap91)
Edinburgh Investment Trust PLC3.65% Cum Pfd Stk – £45 (9Ap91)
11⅜% Deb Stk 2014 – £103⅜
Electric&General Investment Co PLC 10.1% Deb Stk 97/2002 – £90
English & Scottish Investors PLC"B" 25p – 132 (5Ap91)
Fifth Throgmorton Co PLC7.25% Cnv Uns Ln Stk 2003 – £105 6⅜
Fleming Claverhouse Inv Trust PLC11% Deb Stk 2008 – £97¼ (8Ap91)
Fleming Mercantile Inv Trust PLC3.5% Cum Prf Stk £1 – 45 (5Ap91)
4¾% Perp Deb Stk – £40 (5Ap91)
Foreign & Col Invest Trust PLC7¾% Deb Stk 89/94 – £87 (9Ap91)
Gartmore Value Investments PLCZero Dividend Prf 10p – 68⅜ (9Ap91)
Geared Inc Investment Trust PLCOrd 25p – 104 5⅜ 6
Glasgow Income Trust PLCWarrants to sub for Ord – 4 (10Ap91)
Govett Strategic Inv Trust PLC9¾% Deb Stk 2017 – £88⅝ (10Ap91)
Investors Capital Trust PLC5¾% Cum Prf Stk – £45 (9Ap91)
Lazard Select Investment Trust LdPtg Red Prf 0.1p Global Active Fund – 999
Ptg Red Prf 0.1p U.K. Active Fund – £11.09
Ptg Red Prf 0.1p Europe Index Fund – £11.12
London & St Lawrence Investment PLC Ord 5p – 117 (9Ap91)
Martin Intl Green Inv Tst PLCOrd 25p – 72 2 4 (10Ap91)
Monks Investment Trust PLC11% Deb Stk 2012 – £98⅝ (10Ap91)
New Guernsey Securities Trust LdOrd 25p – 80 (8Ap91)
New Throgmorton Trust(1983) PLC12.6% Deb Stk 2008 – £105 (10Ap91)
Rights and Issues Inv Trust PLC7½% Cum Prf £1 – 53 (8Ap91)
Scottish Eastern Inv Trust PLC4½% Cum Prf Stk – £38 (10Ap91)
9¾% Deb Stk 2020 – £87 7 ⅞ (10Ap91)
Scottish Investment Trust PLC3.5% Cum Pfd Stk – £40 (9Ap91)
Scottish Mortgage & Trust PLC6–12% Stepped Int Deb Stk 2026 – £105 (10Ap91)
Scottish National Trust PLC10% Deb Stk 2011 – £94½ (5Ap91)
Shires Investment PLCWarrants to sub for Ord – 63
Smaller Companies Inv Trust PLCWts To Sub For Ord – 23 (9Ap91)
Strata Investments PLCWarrants to sub for Ord – 42 (8Ap91)
TR City of London Trust PLC10¾% Deb Stk 2020 – £98⅞ 9⅜ 90⅝ (9Ap91)
11⅝% Deb Stk 2014 – £98⅝ 9⅜ (9Ap91)
TR Smaller Companies Inv Trust PLC 10¾% Deb Stk 2016 – £91⅜ 2⅞ (9Ap91)
T.T. Finance PLC11 5/16% Gtd Deb Stk 2018 – £98⅜ (8Ap91)
Throgmorton Trust PLC12 5/16% Deb Stk 2010 – £108½ (9Ap91)
Trio Investment Trust PLCOrd 25p – 43½ (8Ap91)
Updown Investment Co PLCOrd 25p – 439 (5Ap91)
Witan Investment Co PLC8½% Deb Stk 2016 – £79 (10Ap91)

Unit Trusts
No. of bargains included34

M.& G. European Dividend FundInc Units – 48.7
M.& G.Gold & General FundInc Units – 33.9 (8Ap91)
M.& G. International Income FundInc Units – 66.6
M.& G. Japan Smaller Companies Fund Accum Units – 134 (8Ap91)

Mines – Miscellaneous
No. of bargains included177

Asarco IncCom Stk NPV – $27¼♦
Bisichi Mining PLC10p – 22
El Oro Mining&Exploration Co PLCOrd 10p – 420 (10Ap91)
Europa Minerals Group PLCOrd 2p – 10 20
Warrants to sub for Ord – 1 (9Ap91)
Northchart Investments LdR 0.10 – £0.11 (5Ap91)
Waverley Mining Finance PLCWarrants to sub for Ord – 3

Mines – South African
No. of bargains included54

Barnato Exploration LdOrd R0.01 – 20 (8Ap91)
Johannesburg Cons Invest Co LdR0.10 – £7⅝ (10Ap91)

Oil
No. of bargains included2507

British Petroleum Co PLCWarrants to purchase ADS – $4⅜ (10Ap91)
8% Cum 1st Prf £1 – 72½ (10Ap91)
9% Cum 2nd Prf £1 – 75 (9Ap91)
Burmah Castrol PLC7¾% Cum Red Prf £1 – 82½
8% Cum Prf £1 – 68
Coastal CorporationShs of Com Stk $0.33 1/3 – $31⅜
Enron CorpShs of Com Stk $10 – $55.498141♦
LASMO PLC10¾% Deb Stk 2009 – £92⅜
Shell Transport&TradingCo PLCOrd Shs (Br) 25p (Cpn 188) – 487
5½% 1st Prf(Cum)£1 – 49⅜ (9Ap91)
Texaco International Financial Corp8% Stg/$ Cnv Gtd Ln Stk 81/99 – £110 (9Ap91)

Property
No. of bargains included485

Allied London Properties PLC10¾% 1st Mtg Deb Stk 2025 – £87½ 9⅜ ⅜ (8Ap91)
Asda Property Hldgs PLC10 5/16% 1st Mtg Deb Stk 2011 – £92⅜♦ ⅜♦
Bampton Hldgs Ld8¾% Uns Ln Stk 2002/07 – £73 (5Ap91)
Bradford Property Trust PLC10½% Cum Prf £1 – 86 (10Ap91)
Brixton Estate PLC9.50% 1st Mtg Deb Stk 2026 – £83⅜ (8Ap91)
10¾% 1st Mtg Deb Stk 2012 – £94⅞ (8Ap91)
Capital & Counties PLC4.2% Cum Prf £1 – 45♦
9¾% 1st Mtg Deb Stk 2027 – £87⅜
11¾% 1st Mtg Deb Stk 2021 – £98⅜ ⅞ 9⅜
11¾% 1st MtgDebStk2021(FP/AL–11/4/91) – £99⅞♦
9¾% Uns Ln Stk 91/96 – £92½ (10Ap91)
Charlwood Alliance Hldgs Ld7½% Uns Ln Stk 50p – 30
Colman(E.Alec)Investments Ld8% Uns Ln Stk 91/96 – £80 (10Ap91)
Dares Estates PLC7.75% Cnv Cum Red Prf £1 – 17½ 8 .99 9 .49 ½
10¾% 1st Mtg Deb Stk 2012 – £84½ (5Ap91)
Estates & Agency Hldgs PLC11.25% 1st Mtg Deb Stk 2020 – £92⅞ 3⅜ (10Ap91)
Estates Property Investment Co PLC10% 1st Mtg Deb Stk 2011 – £82⅜ (8Ap91)
Etonbrook Properties PLCOrd £1 – 63 (10Ap91)
Great Portland Estates PLC9.5% 1st Mtg Deb Stk 2016 – £85⅝ 6 ⅜
Green Property Co PLC8% Red Cnv Uns Ln Stk 1995 Ir£1 – I£0.8 (9Ap91)
Greycoat PLC9¾% Cum Red Prf 2014 £1 – 86 6
12.56% Uns Ln Stk 90/92 – £90
Guildhall Property Co PLC6% Cum Prf £1 – 38 (5Ap91)
Hammerson Prop Inv&Dev Corp PLCOrd 25p – 576 (9Ap91)
Land Securities PLC7¾% 1st Mtg Deb Stk 91/96 – £83½ (9Ap91)
9% 1st Mtg Deb Stk 96/2001 – £86 ⅜ 9
8¾% Uns Ln Stk 92/97 – £87⅜
London&Prov Shop Centres(Hldgs)PLC 10% 1st Mtg Deb Stk 2026 – £90⅜ 1
MEPC PLC3.85% Cum Prf Stk £1 – 40 (8Ap91)
9¾% 1st Mtg Deb Stk 97/2002 – £90 (9Ap91)
10¾% 1st Mtg Deb Stk 2024 – £97 (5Ap91)
12% 1st Mtg Deb Stk 2017 – £106⅜ (8Ap91)
8% Uns Ln Stk 2000/05 – £72⅜ 3⅞ (10Ap91)
10½% Uns Ln Stk 2032 – £89⅝ (10Ap91)
McKay Securities PLCCap 20p – 155 (10Ap91)
Peel Hldgs PLC10% Cum Prf 50p – 32 (9Ap91)
5.25% (Net) Cnv Cum Non-Vtg Prf £1 – 60 (9Ap91)
9¾% 1st Mtg Deb Stk 2011 – £92⅜ (10Ap91)
Peel South East Ld10% 1st Mtg Deb Stk 2026 – £81½ ⅜
Scottish Metropolitan Property PLC10¾% 1st Mtg Deb Stk 2016 – £89⅜
Sheafbank Property Trust PLC6.25% Cum Prf £1 – 50 (10Ap91)
Shield Group PLCOrd 5p – 18 (8Ap91)
5.84% (Net) Cnv Cum Red Prf £1 – 22 (10Ap91)
Speyhawk PLC9.75% Cum Red Prf 2014 £1 – 49
Town Centre Securities PLC9% Cnv Uns Ln Stk 96/2000 – £175 (5Ap91)
United Kingdom Property Co PLC6¾% Uns Ln Stk 2000/05 – £66 (8Ap91)
9.5% 1st Mtg Deb Stk 2015 – £81⅜ 2⅜ (9Ap91)
Wyndham Group PLC9.375% (Net) Cum Cnv Red Prf £1 – 15 (5Ap91)

Plantations
No. of bargains included8

Anglo-Eastern Plantations PLCWarrants to sub for Ord – 15 (5Ap91)
Beradin Hldgs PLC5p – 31½ (10Ap91)
Chillington Corporation PLCDfd 25p – 45 (10Ap91)
Warrants to sub for Ord – 12
9½% Cum Red Prf £1 – 56 (8Ap91)
9% Cnv Uns Ln Stk 1999 – £86 (5Ap91)
Dunlop Plantations Ld6% Cum Prf £1 – 46 (8Ap91)
Narborough Plantations PLCOrd 10p – 24 (10Ap91)
Singapore Para Rubber Estates PLCStk 5p – 37 (9Ap91)
United Plantations Africa LdOrd R0.50 – £0½

Railways
No. of bargains includednil

New Brunswick Railway CoPerp 4% Cons Deb Stk(Int Gtd by C.P.) – £35 (5Ap91)
Ontario & Quebec Railway Co5% Perm Deb Stk(Int Gtd by C.P.) – £44 (5Ap91)
Quebec Central Railway Co1st Mtg Deb Stk(Gtd by C.P.) – £40 (8Ap91)

Shipping
No. of bargains included304

Bergesen d-y AS"A" Vtg Shs NK2.5 – NK135 7 8
"B" Non Vtg Shs NK2.5 – NK136 7 .41 ⅜ 8 ½ (10Ap91)
Peninsular & Oriental Steam Nav Co5% Cum Pfd Stk – £40 (9Ap91)

Utilities
No. of bargains included21

American Information Tech. CorpShs of Com Stk $1 – £34 $ 62 (10Ap91)
CESC LdEquity Ru10 – 40 (5Ap91)
California Energy Co IncShs of Com Stk $0.0675 – £7.548225 $ 13⅜ (9Ap91)
Felixstowe Dock & Railway CoPrf Units – £90 (9Ap91)
GTE CorporationShs of Com Stk $0.05 – $32⅜
Jersey Electricity Co Ld"A" Ord £1 – 775 (9Ap91)
Manchester Ship Canal Co1st 3½% Perp Mtg Debs(Reg) – £36
4% Perp Deb Stk – £30 (5Ap91)
Mersey Docks & Harbour Co6¾% Red Deb Stk 94/97 – £80 (10Ap91)
6¾% Red Deb Stk 96/99 – £70 (8Ap91)
3¾% Irrd Deb Stk – £23
Pacific Gas & Electric CoShs of Com Stk $5 – $26.45
Public Service Enterprise Group IncShs of Com Stk of NPV – $26.714099♦

Water
No. of bargains included819

Cheam Group PLCOrd A 1p – 150
Ord B Non-Vtg 1p – 115 (8Ap91)
4.9% Prf £1 – 50
Mid Kent Holdings PLCWarrants to sub for Ord – 20 2 (9Ap91)
Mid Kent Water PLC7¾% Red Deb Stk 91/93 – £92 (8Ap91)
Portsmouth Water PLC13% Red Deb Stk 1994 – £104½ 5
Sutton District Water Co PLC7¾% Red Deb Stk 91/93 – £90 (8Ap91)
Bournemouth & District Water Co12¾% Red Deb Stk 1995 – £105 (8Ap91)
Bristol Waterworks Co2.8%(Fmly 4%)Perp Prf Stk – £400 (8Ap91)
11.20% Red Deb Stk 2006/09 – £97⅜ (5Ap91)
11¾% Red Deb Stk 2004 – £101 2 (5Ap91)
Cambridge Water Co9¾% Red Deb Stk 92/97 – £93 (5Ap91)
Chester Waterworks Co4.2%(Fmly 6% Max)Ord Stk – £1300 (8Ap91)
Colne Valley Water Co10% Red Deb Stk 96/98 – £94⅜ (10Ap91)
Essex Water Co11¾% Red Deb Stk 2002/04 – £100⅜ 2 (10Ap91)
Hartlepools Water CoOrd Stk – £600 (5Ap91)
Lee Valley Water Co7¾% Red Deb Stk 91/92 – £94 (5Ap91)
7¾% Red Deb Stk 91/93 – £92⅜ (5Ap91)
Mid-Southern Water Co10% Red Deb Stk 92/94 – £95⅜ (8Ap91)
10% Red Deb Stk 96/98 – £94 (8Ap91)
North Surrey Water Co4¾% Deb Stk – £37 (8Ap91)
7¾% Red Deb Stk 91/93 – £90 (8Ap91)
South Staffordshire Waterworks Co7¾% Red Deb Stk 91/96 – £87 (8Ap91)
Sunderland & South Shields Water Co 7¾% Red Deb Stk 91/93 – £90 (8Ap91)
7¾% Red Deb Stk 92/94 – £89 (9Ap91)
3.5%(Fmly 5%)Cons Prf Stk – £875 (10Ap91)

Miscellaneous Warrants
No. of bargains includednil

Citibank N.A.Put Wts Rel to FT-SE 100 Index 30/9/92 – £0.54 0.575 0.63 0.67 0.67 0.69 (5Ap91)

USM Appendix
No. of bargains included475

AmBrit International PLC8% Cnv Uns Ln Stk 1996 – £35 (8Ap91)
Apollo Metals PLC8p(Net) Cum Cnv Red Prf 10p – 180 (9Ap91)
Banner Homes Group PLCOrd 10p – 26
Bedford(William) PLCOrd 5p – 29 6 (5Ap91)
Bexbuild Developments PLCOrd 50p – 91 (8Ap91)
British Thornton Hldgs PLCOrd 5p – 12 (8Ap91)
CMW Group PLCOrd 5p – 48 8 (10Ap91)
Chemex International PLCOrd 5p – 3 (10Ap91)
Clarke Foods PLC8% Cnv Uns Ln Stk 1997 – £93 (10Ap91)
Clearmark Group PLC13% Cnv Uns Ln Stk 92/97 – £22 (8Ap91)
Dakota Group PLCOrd Ir£0.25 – I£0.32 (9Ap91)
Expedier PLC7.75% Cnv Cum Red Prf £1 – 42 (9Ap91)
Gibbs Mew PLCOrd 25p – 210 3 (8Ap91)
Great Southern Group PLC6.75p Cum Cnv Red Prf 5p – 81
Guildhouse Group PLC8.5p (Net) Cnv Cum Red Prf 2006 50p – £0.07
Mid-States PLCOrd 10p – 89
Midland & Scottish Resources PLCOrd 10p – 116‡
Savage Group PLC6.5% (Net) Cum Red Cnv Prf £1 – 41 2
Sheldon Jones PLCOrd 25p – 80
Tullow Oil PLCWarrants to sub for Ord – 0⅜ (8Ap91)
URS International IncShs of Com Stk $0.01 – 0.3 (5Ap91)
Wyevale Garden Centres PLC8.5% (Net) Cnv Cum Red Prf £1 – 152 4½ ⅜ (8Ap91)

Rule 535(2)
No. of bargains included63

Ackrill Carr PLC"A" Ord 25p – £0.19 (8Ap91)
Adam & Co PLCOrd £1 – £1.55
Adnams & Co PLC"B" Ord £1 – £16½ 17 (8Ap91)
African Gold PLCOrd 1p – £0.06 (5Ap91)
Airedale Hldgs PLC"A" Non-Vtg Cnv 1p – £0.000048 (10Ap91)
"B" Non-Vtg Cnv 1p – £0.00125 (5Ap91)
Ann Street Breweries Co LdOrd £1 – £4 (10Ap91)
Arsenal Football Club LdOrd £1 – £3500
Barbican Holdings PLCOrd 1p – 0⅜
Biocure Holdings PLCOrd 1p – 25 (9Ap91)
Bromsgrove Industries PLC10% Cnv Uls Stk 1999 – £100 (5Ap91)
Church Housing Association Ld2½% Ln Stk – £10 (10Ap91)
Conister Trust LdOrd 25p – £0.51 (8Ap91)
D.B.S.Management PLCOrd 10p – £2.0675 (5Ap91)
Dart Valley Light Railway LdOrd £1 – £3.3 (5Ap91)
Dawson(William)Hldgs LdOrd 10p – £2.8 2.9 3 (10Ap91)
Eastbourne Waterworks Co2.8% Irrd Prf £5 – £26 (5Ap91)
Eglinton Exploration PLCOrd Ir£0.50 – 23
Warrants to sub for Ord – 1 (8Ap91)
Falmouth Hotel PLCOrd £1 – £0.1 (5Ap91)
Feltrim Mining PLCOrd Ir£0.20 – £0.10125 I£0.11 (9Ap91)
Gale (George) & Co LdOrd £1 – £8 (10Ap91)
Gander River Resources PLCOrd 5p – £0.045 (10Ap91)
General Portfolio Group PLCOrd 5p – £2.69 2.7 (8Ap91)
Glencar Explorations PLCOrd Ir£0.02 1/2 – I£0.29
Hartley Baird PLCOrd 5p – 12 (10Ap91)
Ivernia West PLCOrd Ir£0.10 – £0.605 0.61 p 54 ½ 5 ½ ½‡ 6 6‡ ½ ½‡ 7 8½‡
Jennings Bros LdOrd 25p – £2.035 (5Ap91)
Jersey Electricity Co5% Cum Ptg Prf £1 – £0.52 (10Ap91)
Jersey Gas Co LdOrd £1 – £2.62 (8Ap91)
Jersey New Waterworks Co Ld5% Cum Prf £5 – £1.35 (8Ap91)
3½% Cum 2nd Prf £5 – £1.35 (8Ap91)
Kleinwort Benson(Guernsey)Fund Man International Income – £1.019
Le Riche's Stores LdOrd £1 – £3 (9Ap91)
Liverpool FC & Athletic Grounds PLCOrd £5 – £700
Ord £1 – £2.15125 2.155 (5Ap91)
MIM Britannia International Ld-Japan Income & Growth – £1.416 (10Ap91)
Manchester United Football Club LdOrd £1 – £26⅜ 28 30
Merrett Hldgs PLCOrd 10p – £0.8075 0.835 0.8375 (5Ap91)
National Parking Corp LdOrd 10p – £3.27 3.27
Newmarket Thoroughbred Breeders PLC Ord 50p – £0.3 (5Ap91)
Oxford Virology PLCOrd 5p – 7½ (5Ap91)
Poddington PLCOrd 5p – 5 (10Ap91)
Rangers Football Club PLCOrd £1 – £65 (10Ap91)
Saxon Hawk Group PLCOrd £1 – £1.09 (5Ap91)
Sempernova PLCOrd 25p – £0.00375 (5Ap91)
Seymours Ld4% Cum Ptg Prf £1 – £0½ (10Ap91)
Shepherd Neame PLC"A" Ord £1 – £5½ 5.55 (10Ap91)
Sinclair Research LdOrd 25p – £0.4 (5Ap91)
Southern Newspapers PLCOrd £1 – £1.6 (8Ap91)
Sutton Harbour Improvement CoOrd 25p – £3½
Tadpole Technology PLCOrd 10p – £0.450391 0.450568 (5Ap91)
Thwaites(Daniel)& Co PLCOrd 25p – £2 (5Ap91)
Transatlantic Hldgs PLCOrd 50p – £3.15 (10Ap91)
Cnv Cum Prf 50p – £3.62 3.63 (8Ap91)
Video Magic Leisure Group PLCOrd 1p – £0.00125 (8Ap91)
Vista Entertainments PLCOrd 5p – 2 (9Ap91)
Weetabix Ld"A" Non.V Ord 25p – £5.4
Yates Bros Wine Lodges PLCOrd 25p – £0.95 (10Ap91)

RULE 535 (4) (a)

Bargains marked in securities where principle market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List.

America Business Products $14.0 ♦ (5/4)
Aust. Foundation Inv 80.0 (11/4)
Beverly Enterprises £6.25 (8/4)
Boral Ord. Stk A$3.607 ♦ 3.623 ♦ (10/4)
City Developments S$3.4628 ♦ (10/4)
Commodore International £11.375 (9/4)
Community Psychiatric Centers $37.77 ♦ (10/4)
Dynatech Corp $21.0 ♦ (10/4)
Forest Laboratories £22.0 (8/4)
Futuris Corp 15.0 ♦ (9/4)
Golbelt Mines C$0.457 (8/4)
Highveld Steel & Vanadium $4.55 (11/4)
Keystone International $26.87 ♦ (10/4)
Killinghall Tin (Malaysia) Berhad Ord M$2.105 (9/4)
Kulim Malaysia Ord 25.0 26.0 (9/4)
Malayan Credit S$0.53 (11/4)
Malaysian Plantations M$1.0 (9/4)
Murphy Oil Corp £20.125 (8/4)
National Electronics (Consolidated) H$0.633 (8/4)
Oak Industries 25.0 (10/4)
Oil Search 26.0 (10/4)
Overseas Chinese Banking Corp S$10.5 ♦ (10/4)
Playmates Hldgs H$5.89 (10/4)
Regal Hotels (hldgs) 6.0 ♦ (8/4)
Robinson & Co S$4.02 ♦ (11/4)
Rutgerswerke AG DM538.0 ♦ (8/4)
Saab-Scania Ser "A" SK290.30 (10/4)
United Overseas Land 1.688 ♦ (11/4)
Wooltru Class 'A' R78.1 (11/4)

By Permission of the Stock Exchange Council

LONDON STOCK EXCHANGE

Equities unimpressed by lower rates

THE LONG-AWAITED cut in UK base rates, together with news of a fall in domestic inflation and the forecast of further and steeper falls, failed utterly to stimulate the UK equity yesterday as it moved to the end of the trading account. The half point reduction in UK bank base rates to 12 per cent and the fall in the March Retail Price Index (RPI) to an annualised 8.2 per cent had both been widely discounted in the stock market during the week.

Equally *unimpressive* was the market's response to better news on US consumer prices than expected; with Wall Street failing in early trading to maintain the momentum of the previous session, the London stock market was turning easier at the end of the day.

The final reading showed the FT-SE Index down 5.5 at 2,526.1 after moving erratically from the start of business. The Index has gained nearly 70 points (or 2.8 per cent) over the two week account which closed last night. But share prices slipped back by 19.2 Footsie points this week as investors moved cautiously into the new UK tax year.

Equities opened firmly yesterday morning and briefly extended their gains when the Bank of England gave the signal to the London money markets for a half point cut in interest rates.

The gains soon melted away and the market was down a net 10.4 on the Footsie before steadying as it waited for the announcement of the March retail price index (RPI).

The RPI announcement, followed earlier by reductions in UK house lending rates and a prediction from the authorities of a further 2 per cent fall in inflation this month, had little effect in the market.

The improvement in US consumer inflation data for March raised hopes of an early cut in Federal interest rates and London equities picked up hopefully. The Footsie was 10 points up until Wall Street abandoned an early gain to show a dip of 3.22 Dow points in UK trading hours.

Seaq volume of 621.4m shares was the highest daily total for the week but traders said that institutional interest had been relatively modest. Much of yesterday's business reflected intra market trading and profit-taking by the market specialists who have dominated business this week.

Equity strategists believe that further falls in UK interest rates may be delayed until there is clearer evidence that the underlying, as against the headline rate, is headed downwards. From the equity market view, the institutions appear less willing to commit new funds to the UK market. While still confident of a further rise in equities by the end of the year, analysts believe that shares may be restrained in the near term by uncertainties over the outlook for global interest rates and currencies.

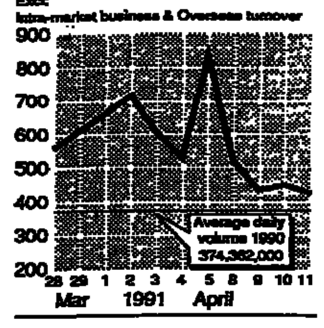
Account Dealing Dates		
*First Dealings:		
Apr 2	Apr 15	Apr 29
Option Declarations:		
Apr 11	Apr 25	May 16
Last Dealings:		
Apr 12	Apr 26	May 17
Account Day:		
Apr 22	May 7	May 28

*New-time dealings may take place from 8.30 am two business days earlier.

● After rising sharply at the end of last week, when the FT-SE moved to a new peak, trading volume has fallen sharply as investors have become increasingly cautious.

London SE volume

Turnover by volume (million)
Excl:
Intra-market business & Overseas turnover



FINANCIAL TIMES STOCK INDICES

	Apr 12	Apr 11	Apr 10	Apr 9	Apr 8	Year Ago	1991 High	1991 Low	Since Compilation High	Since Compilation Low
Government Secs	85.35	85.47	85.39	85.43	85.47	78.31	85.88 (19/2)	82.17 (2/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	94.77	94.76	94.73	94.73	94.72	85.85	94.84 (5/4)	90.59 (2/1)	105.4 (28/11/47)	50.53 (3/1/75)
Ordinary Share ●	1997.5	2002.2	1992.2	1998.0	1999.0	1741.0	2014.5 (5/4)	1606.3 (16/1)	2014.5 (5/4/91)	49.4 (26/6/40)
Gold Mines	141.0	141.2	143.1	140.2	138.4	248.8	179.7 (14/1)	127.0 (22/2)	734.7 (15/2/83)	43.5 (26/10/71)
FT-SE 100 Share	2526.1	2531.6	2518.8	2527.2	2529.9	2222.1	2545.3 (5/4)	2054.8 (16/1)	2545.3 (5/4/91)	986.9 (23/7/84)
FT-SE Eurotrack 200	1164.86	1161.06	1155.66	1165.29	1164.64	-	1170.06 (5/4)	938.62 (16/1)	1170.06 (5/4/91)	938.62 (16/1/91)
●Ord. Div. Yield	4.84	4.83	4.86	4.85	4.84	5.13				
●Earning Yld %(full)	8.82	8.81	8.87	8.84	8.82	11.86				
●P/E Ratio(Net)(☆)	13.94	13.97	13.87	13.92	13.95	10.24				
SEAQ Bargns 4.45pm	41,257	34,287	32,348	36,774	48,558	19,596				
Equity Turnover(£m)†	-	1035.94	1020.83	724.05	1054.40	1029.66				
Equity Bargains†	-	33,786	33,752	40,345	50,782	20,012				
Shares Traded (ml)†	-	420.1	448.0	431.7	511.6	383.2				

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold mines 12/9/55, Basis 1000 FT-SE 100 31/12/83 & FT-SE Eurotrack 200 26/10/90. ☆ Nil 13.47

Ordinary Share Index, Hourly changes — Day's High 2009.4 — Day's Low 1995.0

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
2008.3	1995.0	2004.9	2003.3	1998.8	1999.9	2004.4	2009.0	1999.0

FT-SE 100, Hourly changes — Day's High 2541.7 — Day's Low 2521.2

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
2536.2	2521.4	2531.7	2529.9	2526.1	2528.1	2534.2	2541.3	2528.0

FT-SE Eurotrack 200, hourly changes — Day's High 1170.60 — Day's Low 1162.03

Open	10 am	11 am	12 pm	1 pm	2 pm	3 pm
1162.13	1163.05	1163.75	1164.71	1165.37	1167.75	1168.44

GILT EDGED ACTIVITY

Indices*	Apr 11	Apr 10
Gilt Edged Bargains	103.6	110.2
5–Day average	116.6	114.6

*SE Activity 1974.
†Excluding intra-market business & Overseas turnover.

London report and latest Share index: Tel. 0898 123001

Hambros in strong advance

The placing by Baltica, the Danish insurance company, of its near 14 per cent stake in **Hambros**, the UK merchant bank, had been expected by the City and was followed by a strong rise in Hambros shares.

The placing comprised 22.93m Hambros shares, and was undertaken jointly by Smith New Court and James Capel. The Seaq delayed ticker revealed details of the transaction, with three large blocks of Hambros shares, 4.9m, and two lines of 9m each, displayed as going through the market at 259p. Shortly afterwards the Seaq ticker showed a series of trades, totalling 22.9m, carried out at 262p. Smith New Court said it had placed the stock at 262p and that the placing was oversubscribed. The shares went to several institutions.

Dealers said the rise in Hambros shares, which closed a net 10 higher at 277p, after 278p, reflected the recent bout of underperformance in the stock after Baltica indicated its intention of selling its stake.

Baltica bought a 9 per cent holding in Hambros in February 1989 and later increased this to 14 per cent. It unsuccessfully sought co-operation agreements with Hambros and Hambros' Continental associates, including Banco Bilbao Vizcaya and Banco San Paolo di Torino. There was a suggestion in the market that the Vizcaya stake could also be up for sale.

Allied-Lyons up

Buy recommendations from at least three securities houses added to the recent momentum in Allied-Lyons. S G Warburg, Lehman Brothers and Carr Kitcat & Aitken all felt that the shares had been over-penalised since the company revealed £150m of losses on the currency markets in March. They highlighted, instead, its fundamentals, particularly prospects for the 1992 figures.

Warburg argued that investors should buy for earnings growth, Carr Kitcat said that the stock had underperformed the market for three months and that the dividend announced with the results in May would show a strong rise "to reassure investors". Mr John Wakely at Lehman said: "It's as cheap as the cheapest beer company and yet it makes more than half its profits from spirits".

Allied climbed 9 to 523p making a two day rise of 19. Turnover was a strong 4.6m.

Successful issue

Industrials materials group Cookson basked in the success of the £83m rights issue, over 96 per cent of which has been taken up by shareholders. Dealers suspected the remaining 4 per cent was placed yesterday, noting two large trades of 3.1m and 2.2m in the new shares.

Cookson stock was also supported by continued speculation that the TI Group might have predatory intentions, and by a broker's buy recommendation. Flemings Research said: "The price/earnings ratio for 1992 puts the stock on a 17 per cent discount to the consensus market rating forecast and yet the company has above average recovery prospects." The old shares firmed 2 to 141p while the new gained 3 to 136p.

Another heavy turnover in **Midland Bank**, 9.9m shares, included a placing by one of the big UK broking houses placing a line of 3.5m shares at 221p. The stock closed 5 off at 223p. Some analysts said Midland had risen too far too fast recently; Mr Tim Clark at Panmure Gordon said the market had responded to a bid story in Midland which he said was the least likely outcome of the Midland situation.

Standard Chartered made further strong progress, boosted, it was said, by a profits upgrade. The shares closed 18 higher at 406p. The recent buy circulars fuelled more demand for TSB, 4 up at 161p on 4.4m.

Hawker Siddeley closed at the year's high of 607p, up 15p, as marketmakers sought stock to cover short book commitments. They appeared worried by further speculation of a bid from UK conglomerates BTR or Hanson, but analysts doubted whether either would be prepared to pay the current price, said by one to be "inflated and including anything".

Concern over short-term earnings continued to upset **Smiths Industries**, which earlier this week reported satisfactory interim results and contracts worth $700m to develop new systems for the Boeing 777 aircraft. Analysts feel the up front costs associated with this civil development could hold back group profits over the next three years before revenue flows begin. The shares slipped to 269p before rallying to close just a penny easier on balance at 274p.

Microfocus jumped 140 to 1653p, still reflecting the bumper profits announced on Thursday.

Oil shares maintained their good performance, responding to the recent batch of positive circulars on the majors and the upturn in crude oil prices. Specialists also said that there was evidence that the institutions had been big buyers of both BP and Shell.

Shell gave its annual presentation to oil analysts yesterday and attracted heavy buying which left the shares 9 up at 489p on turnover of 10m. But there were reports of heavy switching out of Shell into Royal Dutch, which many analysts regard as 5 per cent cheaper. BP closed $7\frac{1}{4}$ higher at 349p on 8.9m.

Enterprise, where traders expect the 25 per cent stake held by Elf to be placed in the market very shortly, dropped a further 11 to 551p. British Gas slipped 5 to 244p on ahead of an expected board meeting on Tuesday, following which Gas is likely to respond to details of Ofgas's new formula for domestic tariffs.

Rosehaugh recovered on publication of interim losses that had been more than discounted by the market. The company lost £49.6m, against a previous profit of £4.8m, and passed its dividend. The shares added 5 at 71p and **Stanhope**, which with Rosehaugh developed the Broadgate office complex in the City of London, also went 6 better, to 85p.

Sanderson Murray & Elder touched a 1991 peak of 405p, up 25, on the acquisition of Bramall (Wolverhampton), a Vauxhall car dealership, and also a motor distribution site. The deals will be partly financed by a rights issue, raising £3.1m.

A slightly more cautious investment approach over Diploma, the electronic components manufacturer which has enjoyed a good run on recovery hopes, saw the shares react 11 to 247p. The interim results are expected next month.

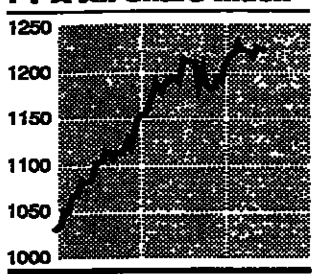
USM-listed Swallowfield rose 17 further, for a two-day gain of 37, to 170p after Thursday's confident statement and an application for a full stock exchange listing.

Tace strengthened 8 further to 159p for a rise over the past two sessions of 20 since Southwind marginally increased its holding to 4.4 per cent.

In a quiet retailers sector, Amber Day climbed 5 to $89\frac{1}{2}$p *ahead of interim results on* Monday, and the brand name department store Liberty *jumped 100 to 575p on talk of* Japanese interest. Liberty is a thinly traded stock whose *three marketmakers have a* spread of 50p between buying and selling quotes.

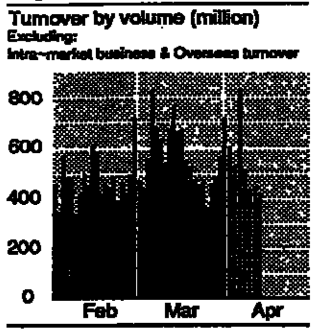
Tyndall Holdings, the financial services group in which IEP Securities holds a 13 per cent stake, jumped 10 to 60p after announcing an approach which may lead to a bid. This week Jupiter Tarbutt Merlin, the investment management group, disclosed a near-3 per cent stake in Tyndall.

FT-A All-Share Index



Equity Shares Traded

Turnover by volume (million)
Excluding:
Intra-market business & Overseas turnover



■ Other market statistics, including the FT-Actuaries Share index and London Traded Options, Page 9.

NEW HIGHS AND LOWS FOR 1991

NEW HIGHS (178).
BRITISH FUNDS (16) Fd. 6pc 1993, Treas. $8\frac{1}{4}$pc 1995-98, Treas. 2pc IL 1992, Do. 2pc IL 1996, Do. $2\frac{1}{2}$pc IL 2003, Do. $2\frac{1}{2}$pc IL 2011, Do. $2\frac{1}{2}$pc IL 2013, Do. $2\frac{1}{2}$pc IL 2016, Do. $2\frac{1}{2}$pc IL 2020, Do. $2\frac{1}{2}$pc IL 2024, INT.BANK & O'SEAS GOVT. STLG. ISSUES (1) Utd. Mex. States, $16\frac{1}{2}$pc 2008, AMERICANS (2) Amdahl, Lone Star, CANADIANS (1) Hudson's Bay, BANKS (3) Abbey Natl., Secure Tst., Standard Chartd., BREWERS (5) Devenish (JA), Do. 4.5pc Prf., Greene King, Guinness $8\frac{3}{4}$pc Cnv., Macdonald Martin A, BUILDINGS (4) Attwoods, Berkeley, EBC, Tay Homes, CHEMICALS (2) Laporte, Yorkshire, STORES (11) Amber Day, Argos, Fine Art Devs., Kingfisher, Do. $8\frac{1}{2}$pc 2000, Liberty, Do. NV, Lloyds Chem. $7\frac{1}{2}$pc Prf., Marks & Spencer, OS, Scholl, ELECTRICALS (8) Forward Tech., Learmonth & Burchett, Micro Focus, Neotronics Tech., Pegasus, Pilco, Do. A, Unidare, ELECTRICITY (2) Eastern, Southern, ENGINEERING (8) Chemring Cnv. Rd. Pf., Hawker Siddeley, Victaulic, Wagon Indl., Whessoe, FOODS (13) Argyll, Assoc. Fisheries, Bensons Crisps, Cranswick Mill, Iceland Frozen, JLI, Kwik Save, M & W, Morrison (Wm), Do. $5\frac{1}{4}$pc Rd. Pf., Sainsbury (J), Sime, Watson & Philip, INDUSTRIALS (36) Baxter, Beespak, Bodycote, Boxmore, Brammer, Colorgen, Darby, Elan, Elys, Erskine Hs. $7\frac{1}{4}$pc Pf., Fletcher Chlge., Inchcape, Kalamazoo, Low & Bonar, MB Caradon, Do. $7\frac{1}{4}$pc Cnv. Pf., Nestor-BNA, Office & Elect., Pilkington, Powell Duffryn, Record, Schlumberger, Serco, Seton Healthcare, SmithKline Bchm. Eq. Units, Spring Ram, Stag Furniture, Swallowfield, Walker Greenbank, Wilkes (J), LEISURE (4) Barr & WAT A, Owners Abroad, Radio City A, Scottish TV, MOTORS (6) DAF, Lookers, Lucas Wrrnts., Perry, Sanderson M. E., NEWSPAPERS (2) Bristol Eve. Post, Maxwell Comms., PAPERS (5) Coletax & Fowler, Stat-Plus, TMD, WPP, Wiggins Teape Appleton, PROPERTY (8) ASDA $8\frac{1}{4}$pc Cm. Rd. Pf., BHH, Bilton (P), Lend Lease, Merivale Moore, TEXTILES (2) Gaskell, Lamont, TRANSPORT (3) Interlink Express, Mayne Nickless, Tibbett & Britten, TRUSTS (36) AFP, Abtrust New Thai, Baillie Gifford Japan, Baillie Gifford Shin Nippon, Bankers, Beta Global Emrg. Mkts., Cons. Venture, Dartmoor, Derby, Exmoor Dual, F & C Pac. Wrrnts., Flmg. American, Do. Cnv. 1999, Flmg Japanese, GT Japan, Govett Atlantic, JF Fledg. Japan, Latin Amer., Leveraged Opply., M & G Dual Inc., M & G 2nd Dual Inc., Malvern UK Index, Martin Currie Pac., Do.Wrrnts., Mexico Fd., North Brit. Can., Pac. Asset Wrrnts., River & Merc., SPLIT: Sec. Alliance, Sphere Wrrnts., TR Tech. Zero Pf., Templeton Emrg. Mkts, Thornton Asian Emrg. Mkts., Throgmorton Dual, Tyndall, WATER (2) Severn, Thames, OILS (6) Br. Borneo, Br. Petroleum, Calor, New London, Shell Trans. Reg., MINES (7) De Beers 40pc Pf., Gold Fields S.A., Gwalia Cons., Indonesian Diamond, Lyndenburg, Placer Pac., Zam. Cpr.
NEW LOWS (22).
BRITISH FUNDS (1) Treas. 8pc 2008 C, BANKS (1) HSBC, BUILDINGS (1) Cooper Clarke, CHEMICALS (1) Astra, STORES (2) Gent (SR), Hampden Homecare, ELECTRICALS (3) Hicklare, Sema, TGI, INDUSTRIALS (3) GR, Hartons, Hunting, MOTORS (1) Malaya, NEWSPAPERS (1) Sterling Publ., PROPERTY (2) Hardanger, Shoalbank, TRUSTS (1) Baltica, OILS (1) Gaelic Res., MINES (5) Blyvoor, Eastern Trans. Cons., Falcon, Kalis Minerals, Waverley, Welkom.

RISES AND FALLS YESTERDAY

	On Friday Rises	On Friday Falls	On Friday Same	On the week Rises	On the week Falls	On the week Same
British Funds	15	48	20	135	160	121
Corps, Dom. & Foreign Bonds	1	5	14	16	15	69
Industrials	286	310	945	1,208	1,835	4,678
Financial and Props	161	100	480	568	700	2,457
Oils	20	19	53	105	107	248
Plantations	0	0	10	0	1	49
Mines	22	42	98	166	148	496
Others	61	36	73	253	294	300
Totals	566	560	1,693	2,451	3,260	8,418

TRADING VOLUME IN MAJOR STOCKS

	Volume 000's	Closing Price	Day's change
ADT	4,300	84	$-1\frac{1}{2}$
ASDA Group	5,900	135	+2
Abbey National	3,000	205	+2
Albert Fisher	3,000	118	$+1\frac{1}{2}$
Allied-Lyons	5,100	523	+9
Amstrad	2,400	60	$+1\frac{1}{2}$
Anglian Water	597	301	-3
Argos	1,500	304	+3
Argyll Group	1,700	316	
Ass. Brit. Foods	1,800	500	-5
BAA	794	428	+3
Dalgety	482	383	+1
De La Rue	336	372	+2
Dixons	1,000	189	-3
ECC Group	319	433	+2
Eastern Elect.	909	186	+1
East Midland Elect.	891	200	+2
Enterprise Oil	987	551	-11
Eurotunnel Units	781	475	+10
FKI	1,400	67	
Ferranti	1,000	15	
Fisons	2,100	478	-8
Manpower	423	$70\frac{1}{2}$	+1
Manweb	300	235	-4
Marks & Spencer	4,600	262	+1
Maxwell Comms.	3,600	225	$+2\frac{1}{2}$
Midland Bank	9,900	223	-5
Midlands Elect.	1,600	193	+2
NatWest Bank	5,800	330	+6
National Power	16,000	$134\frac{1}{2}$	+1
Next	5,300	$24\frac{1}{2}$	$-\frac{1}{2}$
North West Water	1,300	304	-5
Northern Elect.	219	205	+1
Slough Ests	472	253	+3
Smith (W.H.) A	229	383	
Smith & Nephew	4,500	130	-2
SmKl Beecham	1,000	808	+1
SmKl Beecham Uts.	130	3968	+40
Smiths Inds.	1,400	274	-1
Southern Elect	934	197	+3
South Wales Elect.	85	237	-3
South West Water	270	298	-5
South West. Elect.	238	209	
Southern Water	1,400	293	+4
[illegible]	[illegible]	[illegible]	[illegible]
BP	8,900	349	$+7\frac{1}{4}$
British Steel	8,600	138	$-1\frac{1}{2}$
British Telecom	4,700	385	$-2\frac{1}{2}$
Bunzl	843	95	-1
Burmah Castrol	371	589	+3
Burton	3,300	97	-1
Cable & Wire.	1,100	538	-6
Cadburys	1,700	392	+3
Calor Group	978	250	+5
Carlton Comms.	705	475	+1
Coats Viyella	445	149	-2
Comm. Union	1,200	523	-8
Cookson	2,900	141	+2
Courtaulds	1,500	403	-6
Inchcape	350	346	-4
Kingfisher	1,100	407	-2
Ladbroke	2,800	280	
Land Securities	581	637	-1
Laporte	158	598	-1
Legal & General	615	466	+8
Lloyds Abbey	625	425	+1
Lloyds Bank	2,100	353	-7
LASMO	459	353	+2
London Elect.	3,100	200	-4
Lonrho	1,900	273	-2
Lucas	2,800	168	-4
MB Caradon	1,200	225	+1
MEPC	397	529	-2
Reuters	1,100	872	+8
Rolls Royce	4,300	175	+1
Rothmans	458	845	-4
Ryl Bk Scotland	516	188	+1
Royal Insurance	1,200	470	+10
Saatchi	10,000	$18\frac{1}{4}$	$+\frac{1}{4}$
Sainsbury	3,700	391	+3
Scottish & New	2,000	388	+1
Sears	2,000	90	
Sedgwick	1,600	263	-3
Seeboard	185	198	
Severn Trent Water	3,700	298	-2
Shell Transport	10,000	489	+10
Siebe	332	431	-4
Utd. Newspapers	509	375	+3
Water Package Uts	1	£3153	-10
Wellcome	1,600	527	-14
Welsh Water	624	$333\frac{1}{2}$	$-3\frac{1}{2}$
Wessex Water	182	384	
Whitbread 'A'	1,100	467	-2
Wiggins Teape	631	240	$-\frac{1}{2}$
Williams Hldgs.	2,800	385	
Willis Corroon	916	327	-1
Wimpey	383	200	-6
Yorkshire Elect.	414	217	-1
Yorkshire Water	258	332	

Based on the trading volume for a selection of Alpha securities dealt through the SEAQ system yesterday until 4.30pm.

EQUITY FUTURES AND OPTIONS TRADING

THE DERIVATIVES market traced an erratic course yesterday as traders reacted to the half point cut in UK base rates and to news of a further fall in domestic inflation. However, traders commented that it was essentially an uninspiring performance, with the institutions continuing to take a cautious view of near term prospects.

The June contract led the underlying equity sector for much of the day which was featured by trading between cash and futures as market making firms struggled to close their trading books for the end of the two week equity account.

By the close of business in futures, the June contract was at a premium of about 40 points against cash, with traders braced for the opening of the new account on Monday which will put the fair value premium at 32 points against the underlying market.

For the futures market, the most promising development of the session was the news of favourable trends in US consumer prices. However, with no news on US interest rates during London market hours, the initial excitement died away and the market was calm at the close.

Traded options were similarly without feature, and dealers said that most the activity focused around operations in the equity market as securities houses balanced positions.

LEADERS AND LAGGARDS

Percentage changes since December 31 1990 based on Thursday April 11 1991

Textiles	+	32.20
Packaging & Paper	+	30.35
Electricals	+	29.54
Telephone Networks	+	28.27
Engineering-General	+	26.37
Health & Household Products	+	26.23
Other Industrial Materials	+	25.58
Food Retailing	+	24.27
Banks	+	24.21
Business Services	+	23.24
Chemicals	+	23.21
Electronics	+	23.14
Media	+	23.02
Conglomerates	+	22.96
Other Groups	+	22.44
Contracting,Construction	+	22.12
Capital Goods	+	22.04
Insurance(Life)	+	21.75
Metals & Metal Forming	+	21.44
Industrial Group	+	21.12
Investment Trusts	+	20.96
Motors	+	20.38
Consumer Group	+	19.92
All Share Index	+	18.65
500 Share Index	+	18.63
Stores	+	18.37
Financial Group	+	18.29
Merchant Banks	+	18.21
Electricity	+	18.03
Food Manufacturing	+	16.73
Insurance(Composite)	+	16.34
Building Materials	+	15.58
Engineering-Aerospace	+	15.39
Insurance(Brokers)	+	15.18
Transport	+	14.81
Water	+	14.48
Hotels & Leisure	+	13.81
Brewers and Distillers	+	12.41
Property	+	6.39
Oil & Gas	+	4.30
Gold Mines Index	-	8.67

BENCHMARK GOVERNMENT BONDS

	Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
UK GILTS	13.500	09/92	103-24	-04/32	10.58	10.55	10.66
	9.000	03/00	93-30	-15/32	10.04	9.99	10.23
	9.000	10/08	93-07	-20/32	9.82	9.77	9.99
US TREASURY *	7.750	02/01	98-05	+12/32	8.02	7.97	8.07
	7.875	02/21	96-09	+17/32	8.21	8.15	8.25
JAPAN No 119	4.800	6/99	88.0216	+0.144	7.11	6.99	7.04
No 129	6.400	03/00	98.1858	+0.193	6.72	6.63	6.65
GERMANY	9.000	01/01	104.6500	-0.040	8.27	8.32	8.35
FRANCE BTAN	9.000	02/96	99.7698	-0.040	9.04	9.13	9.15
OAT	9.500	01/01	104.0600	-0.180	8.85	8.93	8.97
CANADA *	9.750	06/01	101.8500	+0.350	9.46	9.44	9.52
NETHERLANDS	8.500	03/01	100.0300	+0.000	8.49	8.56	8.63
AUSTRALIA	13.000	07/00	110.8338	+0.178	11.09	11.34	11.47
BELGIUM	10.000	08/00	105.3000	+0.200	9.11	8.98	8.95

London closing, *denotes New York morning session
Yields: Local market standard — Prices: US, UK in 32nds., others in decimal

Technical Data/ATLAS Price Sources

COMMODITIES

WEEK IN THE MARKETS

Stocks put pressure on aluminium

ALUMINIUM stocks held by producers and the London Metal Exchange now total 2m tonnes, and the pressure on prices is mounting, according to analysts in London.

On Wednesday the International Primary Aluminium Institute announced that producer stocks had risen at the end of February by 83,000 tonnes to 1.65m tonnes. LME warehouse stocks rose by 2,850 tonnes on Monday and by 9,275 tonnes yesterday to end the week at 348,600 tonnes, a record high.

Mr Nick Moore, metals analyst with Ord Minnett, points out that any further stock accumulations will lead to "a real risk that when demand does pick up the stock overhang will suppress the price response, leading to a far more muted price recovery than previously expected."

Yesterday cash aluminium on the LME closed at $1,394.50 a tonne, a fall of $39.50 on the week.

Mr Moore points out that in real terms aluminium prices are now worse than in the 1982-85 recession, and are at levels not seen for at least 25 years. Yet producers continue to churn out the metal; the cost to some big producers is between 45 and 50 cents a lb, compared to the current level of 63 cents a lb. "The market is on a hiding to nothing," he believes.

News was discounted that Brazil's Albras smelter output, halved by a power failure in March, would not be back to full production until October; news from Italy that three of Italy's smelters are facing closure because of high electricity costs was also ignored.

LME WAREHOUSE STOCKS (As at Thursday's close) tonnes		
Aluminium	+9,275	to 348,600
Copper	−75	to 218,775
Lead	−275	to 70,360
Nickel	+504	to 5,796
Zinc	+1,900	to 68,450
Tin	−250	to 17,810

Last week Anthony Bird's Annual Aluminium Review said the cost of producing aluminium in Italy was the highest in Europe at 78 cents a lb. Production costs in Germany and Spain were estimated at 76 cents a lb and in France and Norway at 70 cents.

While the Italian closures could take 100,000 tonnes a year off the market, Mr Moore says much more voluntary restraint by producers is required. He believes that the current stagnant demand is more than just a cyclical downturn and points out that 2m tonnes of stocks are equivalent to seven weeks of supply when the industry's 'comfort level' is between five and six weeks.

On the face of it zinc has had a good week, with cash metal closing yesterday at $1,822.50 a tonne, a rise of $89 on the week. But the three-month price is only $9.50 up on the week at $1,207. The backwardation (premium for cash metal) has widened from $36 a tonne on Monday to $115.50 yesterday.

In short, the rise this week reflects tight supplies for nearby delivery, partly because of the strike at Curragh Resources' Faro lead and zinc mine in the Yukon, one of the biggest mines in the world, producing 548,000 tonnes of concentrate a year. A prolonged stoppage would help to underpin prices during a traditionally quieter period for demand in the spring and early summer, although the management at the mine is hoping to restart the mill this weekend with non-union labour.

Traders on Thursday said the backwardation would ease once the mid-April tightness had passed, but they did not see it being erased as mid-June delivery dates were already commanding premiums.

On the negative side, however, LME warehouse stocks of zinc rose by 1,900 tonnes to 68,450 tonnes, a 15-month high. In addition the coming Arctic shipping season will release material from the Red Dog mine, according to Mr Moore. Demand is also pedestrian to stagnant, as the galvanised steel sector is slack.

The base metals sector in general is a good barometer of overall industrial demand. Mr Moore predicts that the sector could continue to move sideways or deteriorate further for the rest of this year.

On the bullion market, gold moved back above $360 a fine ounce on Monday for the first time in two weeks, and has managed to stay above that level, closing at $360.75 yesterday, a rise of $3.25 on the week. However, trading has been thin, and Mr Andy Smith analyst with the Union Bank of Switzerland, suggested the rise early this week was "a move in a vacuum." He forecast that gold would average only $345 an ounce during the second quarter this year.

Brazil's decision to reopen coffee export registrations on Monday was widely anticipated by the market, and with little other news to work on prices have remained steady. July robusta closed yesterday at £596 a tonne, down just £7 on the week.

David Blackwell

APPOINTMENTS

Changes at BZW

■ **Mr Donald Brydon**, chief executive of BARCLAYS de ZOETE WEDD ASSET MANAGEMENT and of Barclays de Zoete Wedd Investment Management, becomes chairman of both companies when **Mr David Acland** retires on May 31. Mr Acland will remain vice chairman of BZW Property Investment Management, and a non-executive director of BZW Asset Management.

■ **Mr Bob Matthews** has been appointed sales director of CROMPTON LIGHTING, part of Hawker Siddeley's general engineering division. He was sales director at Chloride Bardic.

■ GIROBANK, a subsidiary of Alliance & Leicester Building Society, has appointed **Mr Paul Strong** as director personnel. He was group human resources director, Campbell Foods.

■ **Mr Jonathan Harris** has been appointed chairman of ETONBROOK PROPERTIES following the death of Lord De L'Isle.

■ UCAR CARBON, Sheffield, part of Union Carbide, has promoted **Mr Geoff Twigg** from plant manager to director.

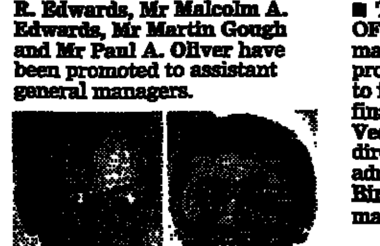
■ GRANT THORNTON has appointed **Mr Amin Amiri, Mr Mark Farlow, Mr David Kinnon** and **Mr Anuj Chande** as partners.

■ **Mr Keith Mackrell**, director of Shell International Petroleum Company, and regional co-ordinator East and Australasia for the Royal Dutch/Shell Group, is joining the board of REGALIAN PROPERTIES as a non-executive director.

■ **Mr Robin Sharpe**, former managing director of two specialist finance subsidiaries of S.G. Warburg, has become a senior associate of ABRAM, HAWKES ASSOCIATES. **Mr Graham Mead**, a senior associate, has been promoted to associate director.

Chief executive at Nikko Bank

■ **Mr Michael Jeffery** has been appointed a managing director of THE NIKKO BANK (UK). He was group director and chief executive of the capital markets business at Scandinavian Bank Group. **Mr David Deakin, Mr Charles R. Edwards, Mr Malcolm A. Edwards, Mr Martin Gough** and **Mr Paul A. Oliver** have been promoted to assistant general managers.



■ **Mr Brian Barr** *(left)* has been appointed managing director of ROYAL TRUST BANK, London, and **Mr Robert Fairchild** *(right)* becomes managing partner in charge of corporate banking and risk management. Mr Fairchild was vice president, construction mining and real estate, at Bank of America. Royal Trust Bank is a subsidiary of Royal Trustco, Canada.

■ McDONNELL DOUGLAS INFORMATION SYSTEMS has appointed **Mr Brian Givans** as manager for Northern Ireland.

■ **Mr Howard Gracey**, a partner of R. Watson & Sons, has been appointed chairman of THE ASSOCIATION OF CONSULTING ACTUARIES from June.

■ **Mr Philip Burnford** has been appointed chairman of HAY MANAGEMENT CONSULTANTS. **Mr Murray Dalziel** succeeds him as managing director.

■ **Mr John Charlick**, senior partner in the corporate finance group in KPMG Toronto, has been transferred to KPMG's London mergers and acquisitions unit.

CBI promotions

■ THE CONFEDERATION OF BRITISH INDUSTRY has made the following promotions: **Mr Ray Squires** to finance director from finance controller; **Mr Chris Veall** from controller to director, personnel and administration; and **Mr Tony Bird** from controller to marketing director.

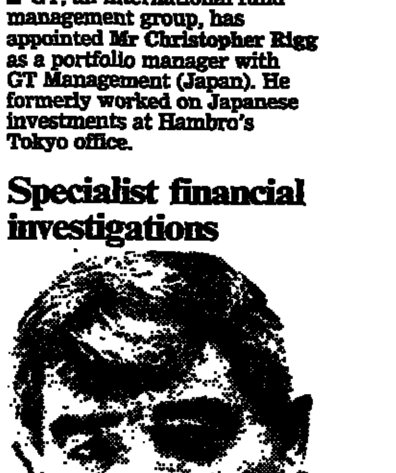
■ **Mr Tony Duffet** has joined MERCER & HOLE as a partner at St Albans. He was a partner with Smith & Williamson. He also becomes a director of Breckenridge Consultants, Milton Keynes.

■ NM FINANCIAL MANAGEMENT has appointed **Mr Rob Gaines**, editor of the Pensions Factbook, as manager, marketing and sales support. He was with Greig Middleton Financial Services.

■ **Mr Ken Lawson** has been appointed head of the new after-sales and service department of PARKER PLANT, Leicester. **Mr Joe Salem** becomes export sales manager.

■ GT, an international fund management group, has appointed **Mr Christopher Rigg** as a portfolio manager with GT Management (Japan). He formerly worked on Japanese investments at Hambro's Tokyo office.

Specialist financial investigations



Mr Bob Bishop *(pictured)* has been appointed chairman of the specialist financial investigation company BISHOP INVESTIGATIONS. He has a reputation in the insurance market for recoveries which include the Brinksmat gold robbery and the "Salem" shipping fraud. **Mr Peter Steger** becomes managing director. He was with Kroll Associates.

■ **Mr Michael Donne**, former aerospace correspondent of this newspaper, has been appointed as advisor, aeronautical services division of the International Maritime Satellite Organisation (INMARSAT).

FT MANAGED FUNDS SERVICE

● Current Unit Trust prices are available on FT Cityline. Calls charged at 45p per minute peak and 34p off peak, inc VAT. To obtain your free Unit Trust Code Booklet ring (071) 925-2128.

AUTHORISED UNIT TRUSTS

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♦) - 1101 to 1400 hours; (♦) - 1401 to 1700 hours; (♦) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point; a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation, Centre Point, 103 New Oxford Street, London WC1A 1QH. Tel: 071 – 379 – 0444.

هكذا من الأصل

FT MANAGED FUNDS SERVICE

● Current Unit Trust prices are available on FT Cityline. Calls charged at 45p per minute peak and 34p off peak, inc VAT. To obtain your free Unit Trust Code Booklet ring (071) 925-2128.

Swiss Life Unit Tst Man Co Ltd (1200)F

Admin: 5 Rayleigh Road, Hutton, Brentwood, Essex
Enquiries: 0277 227300 Dealing: 0277 261010

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Grs
Equity Dist	5½	429.5	433.1	458.3	-0.5	3.67
Equity Acc	5½	591.9	602.4	637.5	-0.6	3.67
Fixed Int Dist	5½	113.2	115.3	119.5	+0.1	8.53
Fixed Int Acc	5½	240.8	245.4	254.3	+0.2	8.53
UK Index Track Dist	5	98.94	99.79	105.6	....	4.18
UK Index Track Acc	5	103.5	104.4	110.5	+0.1	4.18

TSB Unit Trusts (1200)H

Charlton Pl, Andover, Hants, SP10 1RE 0264 346794

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Grs
TSB American	6	132.9	132.9	141.38	+0.67	0.38
Do Accum	6	145.28	145.28	154.55	+0.74	0.38
TSB Brit.Growth	6	73.64	74.8xd	79.57	+0.1	3.28
Do Accum	6	82.49	83.79xd	89.13	+0.11	3.28
TSB European	6	73.69	73.69	78.39	-0.11	0.98
Do Accum	6	76.36	76.36	81.23	-0.12	0.98
TSB Extra Income	6	164.47	168.01xd	178.73	+1.97	5.09
Do Accum	6	237.17	242.28xd	257.74	+2.85	5.09
TSB Smaller Cos	6	44.9	46.53xd	49.49	-0.03	2.63
Do Accum	6	47.51	49.23xd	52.37	-0.03	2.63
TSB General	6	229.19	229.19	243.81	+0.12	2.44
Do Accum	6	427.65	427.65	454.94	+0.25	2.44
TSB Premier Income	5	44.67	45.27	47.15	-0.03	8.29
Do Accum	5	79.95	81.02	84.39	-0.04	8.29
TSB Income	6	307.23	312.7	332.65	-0.2	4.85
Do Accum	6	571.14	581.31	618.41	-0.36	4.85
TSB Pacific	6	231.85	231.85	246.64	+0.78	0.46
Do Accum	6	241.24	241.24	256.63	+0.82	0.46
TSB International	6	392.57	392.57	417.62	+1.78	0.84
Do Accum	6	503.55	503.55	535.69	+2.3	0.84
TSB Nat Resources	6	62.62	63.27xd	67.3	-0.2	0.39
Do Accum	6	68.22	68.93xd	73.32	-0.2	0.39
TSB Sietd Opps	6	79.3	80.98xd	86.14	+0.81	3.0
Do Accum	6	95.43	97.56xd	103.78	+0.99	3.0
Environmental Inv	6	47.34	48.22	51.29	-0.04	1.94
Do Accum	6	48.85	49.75	52.92	-0.04	1.94
TSB Selector	6	49.06	49.83	53.01	-0.81	3.78
Do Accum	6	50.56	51.36	54.63	-0.81	3.78
TSB High Income	6	51.42	52.46	55.8	+0.02	7.03
Do Accum	6	52.79	53.86	57.29	+0.03	7.03

M & G Securities Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Charibond	102.29	102.29	+0.2	10.54
(Accum Units)	567.07	567.87	+1.0	10.54
NAAGIF Apr 10	-	43.54	—	9.35

Morgan Grenfell Unit Trust Managers Ltd

Exempt Funds

	Bid Price	Offer Price	+ or -	Yield Gross
UK Equity ↑ Apr 9	130.4	139.7	----	2.80
UK Small Co ↑ Apr 9	516.9	557.0	----	1.92
Fixed Interest ↑ Apr 9	108.5	114.1	----	7.79
US Small Co Apr 9	147.7	158.0	----	0.00
Managed Apr 9	108.2	115.0	----	1.25
Intl Bond Apr 9	112.2	118.4	----	7.72
Japan Apr 9	75.30	80.60	----	0.04
European Apr 9	85.55	91.65	----	1.61
Nth American Apr 9	104.2	111.8	----	1.26

Murray Johnstone UT Mngmt

Murray Exempt Funds

	Bid Price	Offer Price	+ or -	Yield Gross
Amer Expt Apr 10	49.21	51.18	----	2.78
Euro Expt Apr 10	50.56	53.08	----	2.16
Fixed Int Ex Apr 10	46.91	48.07	----	10.28
Japan Expt Apr 10	46.25	48.10	----	0.35
Managed Ex Apr 11	44.71	46.51xd	----	4.34
SE Asia Expt Apr 10	68.98	72.42xd	----	3.77
Sm Cos Expt Apr 10	33.64	35.32	----	4.42
UK Eqty Ex Apr 10	42.76	44.89	----	3.73

Phillips & Drew Fund Management Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Small Co's Apr 2	707.1	752.0xd	----	4.5
Do Accum	798.8	849.4	----	4.5
Int Expt Apr 10	171.7	175.1	----	2.59
UK Index Apr 2	1160.0	1185.0xd	----	4.9
Do Accum	1249.0	1273.0	----	4.9
Convertible Apr 5	94.39	97.38xd	----	7.87
World ex UK Index Apr 8	797.6	807.4	----	1.86
Do Accum	797.6	807.4	----	1.86
Japan Index Apr 8	633.9	642.6	----	0.59
Do Accum	635.5	644.1	----	0.59

Allied Dunbar Assurance Plc—Contd.

Baring Funds

	Bid Price
Pen Equ Cap	30.5
Pen Equ Acc	34.0
Pen Am Eq Cap	34.6
Pen Am Eq Acc	38.4
Pen Far East Cap	30.0
Pen Far East Acc	33.3
Pen Euro Cap	39.7
Pen Euro Acc	44.0

James Capel Funds

	Bid Price
Pen Equ Cap	29.5
Pen Equ Acc	32.7
Pen Am Eq Cap	30.1
Pen Am Eq Acc	33.4
Pen Far East Cap	31.0
Pen Far East Acc	34.4
Pen Euro Cap	33.4
Pen Euro Acc	37.0

Guardian Royal Exchange—Contd.

GRE Linked Life Assurance Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Managed Initial	369.8	389.2	+1.8	-
Do Accum	485.7	511.3	+2.4	-
Equity Initial	566.5	596.4	+1.8	-
Do Accum	744.2	783.4	+2.3	-
Fixed Interest Acc	421.8	444.0	+1.2	-
International Acc	445.4	468.8	+1.4	-
Nth American Acc	147.5	155.3	+0.9	-
Pacific Acc	230.2	242.3	-1.9	-
European Acc	88.2	92.8	+0.8	-
Property Acc	226.4	238.3	----	-
Index-Linked Acc	159.2	167.6	+0.2	-
Deposit Accum	230.3	242.4	+0.1	-

Liberty Life Assurance Co Ltd

Station Rd, New Barnet 081-440 8210

	Bid Price	Offer Price	+ or -	Yield Gross
Sel Sec A	41.90	44.11	....	-
Managed	36.09	37.99	+0.01	-
Equity	32.40	34.11	+0.17	-
Blue Chip	49.66	52.28	+0.27	-
Special Sits	31.82	33.50	-0.14	-
International	42.94	45.21	-0.68	-
European Fund	12.30	12.95	-0.16	-
American	24.30	25.58	-0.94	-
Pacific	41.23	43.41	-0.71	-
Property	35.43	37.30	-0.17	-
Fixed Yield	27.93	29.41	....	-
Indexed Linked Secs	15.20	16.01	+0.04	-

Merchant Investors Assurance Co Ltd – Contd.

	Bid Price	Offer Price	+ or -	Yield Gross
MI Fram Recovery	195.8	206.1	+0.2	-
MI Gar Glob Inc & Gth	150.4	158.3	-2.5	-
MI Gar Gold & Intl Res	101.4	106.7	-0.5	-
MI Gar Pacific Gwth	149.1	156.9	....	-
MI Gar Smaller Co's	186.8	196.6	+0.4	-
MI Henderson Fd	195.5	205.7	+0.2	-
MI Hen Americas	189.3	199.2	+0.8	-
MI Hen European	196.5	206.8	+0.5	-
MI Hen UK Income	214.1	225.3	+0.2	-
MI Mor Gren Euro Gwth	143.1	150.6	+0.2	-
MI Mor Gren Int Gth	124.5	131.0	+0.1	-
MI Per American Gth	211.3	222.4	+0.1	-

INSURANCES

OTHER UK UNIT TRUSTS

Continued on next page

FT MANAGED FUNDS SERVICE

● Current Unit Trust prices are available on FT Cityline. Calls charged at 45p per minute peak and 34p off peak, inc VAT. To obtain your free Unit Trust Code Booklet ring (071) 925-2128.

N & P Life Assurance Ltd
6-7 Bedford Row, London, WC1R 4UJ 071-430 2348

	Bid Price	Offer Price	+ or -	Yield Gross
Life Managed Fd	105.1	110.6	+0.2	-
Pension Managed Fd	102.4	107.8	+0.2	-
Life Deposit Fd	105.9	111.5	+0.1	-
Pension Deposit Fd	110.5	116.4	+0.1	-

National Financial Management Corp PLC
72 Gatehouse Rd, Aylesbury, HP19 3XJ 0296 395539

	Bid Price	Offer Price	+ or -	Yield Gross
Life Funds				
Managed Cautionary	111.6	122.7	+0.2	-
Managed Growth	138.2	151.1	+0.1	-
Managed Opportunity	136.5	150.6	+0.2	-
NFMC Target Financial	102.9	110.7	+0.2	-
Pension Funds				
Managed Cautionary	120.1	132.3	+0.1	-
Managed Growth	144.8	158.5	+0.1	-
Managed Opportunity	137.6	150.4	+0.1	-
NFMC Target Mngd Pen	1503.0	1633.8	+0.4	-

National Mutual Life
The Priory, Priory Pk, Hitchin, SG5 2DW 0462 422422

	Bid Price	Offer Price	+ or -	Yield Gross
Harvester Pension Funds				
Managed	161.2	169.7	----	-
UK Equity	171.7	180.8	----	-
Overseas Equity	131.6	138.6	----	-
Fixed Interest	143.9	151.5	----	-
Property	130.8	137.7	----	-
Index Linked	147.3	155.1	----	-
Deposit	153.8	161.9	----	-
With Profits (B)	127.1	133.8	----	-

Prosperity Life Assurance Ltd
1 Sessions Hse Sq, Maidstone ME14 1XX 0622 690595

	Bid Price	Offer Price	+ or -	Yield Gross
Initial Equity	155.0	164.0	----	-
Accum Equity	220.5	232.5	----	-
Accum Managed	227.0	239.5	+0.5	-
Accum Five Star	169.5	179.0	----	-
Accum World	122.5	129.5	+0.5	-
Accum Lifetime	113.1	113.1	----	-
Pens Acc Equity	240.5	253.5	----	-
Pens Acc Managed	284.0	299.5	+0.5	-
Pens Acc Intl	208.0	219.5	+1.5	-
Pens Acc Deposit	195.5	206.0	----	-
Pens Acc Five Star	196.5	196.5	----	-

Providence Capital Life Assc. Co Ltd
2 Bartley Way, Hook, Hants RG27 9XA 0256 768888

	Bid Price	Offer Price	+ or -	Yield Gross
UK Equity Acc	229.7	242.3	-0.3	-
UK Fixed Int Acc	169.9	179.3	----	-
Intl Equities Acc	176.3	186.0	+0.5	-
UK Managed Acc	174.4	183.9	----	-
Property Acc	225.7	238.1	----	-
Money Acc	127.5	134.5	----	-
Special Market Acc	132.2	139.5	+0.5	-
Japan Equity Acc	107.6	113.6	+0.9	-
North American Acc	102.6	108.3	+0.5	-
Pacific Acc	93.1	98.3	+0.4	-
Technology Acc	120.6	127.3	-1.7	-
Nat Resources Acc	54.9	58.0	-0.9	-
European Acc	100.2	105.7	-0.2	-
Residential Prop Acc	96.3	101.6	----	-
Swiss Equities Acc	35.3	37.3	+0.3	-
Hong Kong Acc	61.6	65.0	+0.2	-
UK High Inc Eq Acc	76.1	80.3	-0.4	-
Int Fixed Interest Acc	93.6	98.7	+0.1	-
Int Managed Acc	56.3	59.3	+0.1	-
HIP Managed Acc	112.5	118.6	+0.2	-

National Provident Institution

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

CANADA (SIB RECOGNISED)

GUERNSEY (SIB RECOGNISED)

OFFSHORE INSURANCES

MANAGEMENT SERVICES

GUERNSEY (REGULATED)

FT MANAGED FUNDS SERVICE

● Current Unit Trust prices are available on FT Cityline. Calls charged at 45p per minute peak and 34p off peak, inc VAT. To obtain your free Unit Trust Code Booklet ring (071) 925-2128.

	Bid Price	Offer Price	+ or -	Yield Gross
U.S. Treasury Securities Fund Ltd				
Short Term Shares	$757.08		....	-
Fixed Income Shares	$879.75		....	-
Yamaichi Capital Mangmt (Guernsey) Ltd				
Japan Multi Growth	$11.32		+0.17	-
Yamaichi ISS Fund	$8.27		+0.12	-
Yamaichi CB Plus Fund	$8.79		+0.11	-
Thai Inv Fund	$11.67			-

IRELAND (SIB RECOGNISED)

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
GAM Fund Management Ltd (a)						
29 Kildare Street, Dublin 010 353 1760 630						
GAM Universal US Dlr Acc		$-	112.79		-0.74	-
GAM Universal US Dlr Inc		$-	112.79		-0.74	-
GAM Universal DM Acc		DM-	118.55		-0.35	-
GAM Universal DM Inc		DM-	118.55		-0.35	-
MI Global Asset Mngmt Co Ltd "MI Trusts"						
MI Global Dollar		$-	0.99	1.061	...	-

IRELAND (REGULATED)(**)

	Bid Price	Offer Price	+ or -	Yield Gross
Bank of Ireland Unit Managers Ltd				
Global Strat.	$10.14	10.44	....	-
European Bond	[illegible]	[illegible]		-
Gemester Portfolio				
EquityAmerica	$11.19	11.87	...	-
EquityEurope	$9.67	10.26	...	-
BondAmerica	$10.37	11.00	...	-
BondEurope	$9.65	10.24	...	-
BondJapan	$10.00	10.61	...	-
World Inv Trust	$10.84	11.51	...	-
Opportunity Europe	$11.40	12.10	...	-
Baring International Fd Mngrs (Ireland) Ltd				
Australia	$15.02	15.78	-0.04	1.05
Japan Tech	$67.54	70.92	+1.45	-
Japan Fund	$28.50	29.93	+0.44	0.17
Japan New Gentn Fd.	$21.15	22.21	+0.51	-
Malay Sing	$55.97	58.77	+0.75	0.31
Nth American	$21.17	22.23	+0.30	0.58
Octopus Fund	$21.25	22.32	+0.27	0.88
Pacific Fd	$58.71	61.65	+1.03	-
International Bond	$16.76	17.60	+0.10	6.89
Tristar Warrant	$12.02	12.63	-0.13	-

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
INVESCO MIM International (Jersey) Ltd						
PO Box 271, St Helier, Jersey 0534 73114						
Jersey Gilt (z)	5¼	10.1724	0.1724	0.1817	[illegible]	9.08
Lloyds Bank (CI) U/T Mgrs.						
PO Box 195, St Helier, Jersey 0534 27561						
Lloyds Tst. Gilt	2½	9.376	9.391d	9.637	[illegible]	11.41
Dealing daily						
Midland Bank Fund Managers (Jersey) Ltd						
PO Box 26, St Helier, Jersey 0534 606000						
Intl Circuit Portfolio	6	101.43	101.43	107.57	[illegible]	1.63
Gilt	3	92.04	92.04xd	94.90	[illegible]	10.54
For MIM see INVESCO MIM						
Royal Trust Jsy Fd Mngt Ltd (1400)F						
PO Box 428, St Helier, Jersey 0534 76077						
Govt Secs Fd	4	56.09	56.09xd	58.59	+0.04	11.09
TSB Trust Funds (CI)						
PO Box 538, St Helier, Jersey 0534 73494						
TSB Offshore Investment Fund Ltd						
Stlg Deposit Class	3	101.57	101.57xd	104.62	(z)	12.80
Gilt & Fixed Interest	5	102.47	102.47xd	105.55	(z)	11.63
Blue Chip & Gilt Edged	5	49.79	49.79xd	53.08	(z)	5.46
International Bond	5	107.28	107.28xd	112.67	(z)	7.52
UK Equity	5	106.62	106.62xd	115.40	(z)	1.62
International Equity	5	108.18	108.18xd	115.59	(z)	0.43
Far Eastern	5	95.55	95.55	102.15	(z)	0.00
European	5	85.80	85.80	90.76	(z)	0.42
Pan American	5	105.96	105.96	112.52	(z)	0.79
TSB Gilt Fund Ltd						
Quarterly Share	3	96.21	96.21d	99.24	(z)	10.78
Monthly Share	3	95.95	95.95xd	98.95	(z)	10.81

JERSEY (REGULATED)(**)

	Bid Price	Offer Price	+ or -	Yield Gross
Barclays Intl Funds				
Currency Funds				
Sterling	£20.11		+0.01	11.5
US Dollar	$30.58		+0.01	5.1
Deutschemark	DM52.81		+0.01	7.6
Yen	Y3,905		+0003	7.1
Managed Multicurrency	£12.69	13.14	+0.03	-
Managed Multicurrency	$24.67	25.55	-0.04	-

ISLE OF MAN (SIB RECOGNISED)

ISLE OF MAN (REGULATED)(**)

JERSEY (SIB RECOGNISED)

LUXEMBOURG (SIB RECOGNISED)

LUXEMBOURG (REGULATED)(**)

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

MANAGED FUNDS NOTES

WORLD STOCK MARKETS

US MARKETS (3:00 pm)

April 12	US$	+ or −
AAR Corp	13⅝	+⅛
AMP Inc	52⅞	+¼
AMR Corp	59⅞	+⅛
ASA	45⅞	−1
Abbott Labs	50½xd	....
Acme Cleveland	6½	+¼
Adobe Res	7½	....
Advanced Micro	13⅞	+⅛
Aetna Life	46⅞	+¼
Affiliated Publ	9½	−⅛
Ahmanson (HF)	17¼	+⅛
Air Prod & Chemical	65¾xd	+¼
Alberto-Culver B	29¼	+⅛
Albertson's	48⅞	+1⅛
Alcan Aluminium	20¾	−⅛
Alco Standard	30¼	−1⅛
Alexander & Alex	26⅝	−¼
Alex & Baldwin	27¾	+¼
Allegheny Power	39⅛	+⅛
Allied Signal	29⅛	+1
Aluminum Co of Am	62⅞	−⅛
Amax	24¼	−⅛
Amdahl Corp	16⅝	−⅛
Amerada Hess	49½	+2
Amer Brands	41¼	−¼
Amer Cyanamid	56⅞	−¼
Amer El Power	29¾	+⅛
Amer Express	27¼xd	−⅛
Amer Family Corp	24¼	+⅛
Amer Genl Corp	40⅝	−⅛
Amer Greetings Cl A	40¼	+½
Amer Home Pr	58⅞	+⅛
Amer International	98⅞	−⅞
Amer Natl Ins	33½	+¼
Amer Petrofina	86⅞	+⅛
Amer Stores	88⅝	+⅛
Amer T & T	35	+⅛
Ameritech	64⅝	+⅛
Ames Dept Stores	2	+0.13

April 12	US$	+ or −
Continental Air	3.37	....
Contl Bank Corp	12½	−⅛
Contl Corp	29	+⅞
Control Data	12⅞	−½
Cooper Inds	50	−¼
Coors (Adolph)	22⅞	−⅛
Corestates Finl	37	−1
Corning Inc	59⅝	+1⅛
Crane	26⅝	−⅛
Cray Research	37⅞	+⅛
Cross & Trecker	3.75	....
Crown Cork & Seal	73	....
Cummins Engine	37¾	−⅛
Curtiss-Wright	33¼	−½
Cypress Semicond	19¾	+½
Cyprus Minerals	20xd	−⅛
DSC Commun	9⅞	....
DQE	25⅞	+⅛
Dana Corp	28½	....
Data General	15¼	+⅛
Dayton Hudson	74¾	−¼
Deere	48	−⅛
Delmarva Pow & L	18⅛xd	+⅛
Delta Air Lines	69	−½
Deluxe Corp	39⅝	....
Detroit Edison	29¾	+⅛
Diebold Inc	39⅞	−½
Digital Comms	20¼	+¼
Digital Equipment	65½	+¼
Dillard Dept St	115⅛	+1⅞
Disney (Walt)	115⅝xd	+¼
Dominion Res	48⅞	+¼
Donnelley (RR)&Sons	48	−½
Dover Corp	41⅝	+⅛
Dow Chemicals	47	+⅛
Dow Jones	25¼	+¼
Dravo Corp	12⅞	−⅛

INDICES

NEW YORK

DOW JONES	Apr. 11	Apr. 10	Apr. 9	Apr. 8	1991 HIGH	1991 LOW	Since compilation HIGH	Since compilation LOW
φIndustrials	2905.45	2874.50	2873.02	2918.56	2973.27 (6/3)	2470.30 (9/1)	2999.75 (16/7/90)	41.22 (2/7/32)
Home Bonds	93.75	93.74	93.66	93.84	94.86 (15/2)	91.30 (16/1)	95.51 (9/2/87)	54.99 (1/10/81)
Transport	1121.12	1113.89	1111.60	1123.06	1166.26 (5/3)	894.30 (7/1)	1532.01 (5/9/89)	12.32 (8/7/32)
Utilities	217.30	214.98	214.47	216.11	218.12 (26/3)	199.64 (16/1)	236.23 (2/1/90)	10.50 (8/4/32)

φDay's High 2937.62 (2902.48) Low 2877.72 (2848.51)

STANDARD AND POOR'S

	Apr. 11	Apr. 10	Apr. 9	Apr. 8	1991 HIGH	1991 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	377.63	373.15	373.56	378.66	379.77 (4/4)	311.49 (9/1)	379.77 (4/4/91)	4.40 (1/6/32)
Industrials	447.40	442.06	442.25	448.46	449.84 (4/4)	364.90 (9/1)	449.84 (4/4/91)	3.62 (21/6/32)
Financial	30.12	29.50	29.77	30.27	30.36 (4/4)	21.96 (9/1)	35.24 (9/10/89)	8.64 (1/10/74)
NYSE Composite	206.64	204.42	204.74	207.17	207.73 (4/4)	170.97 (9/1)	207.73 (4/4/91)	4.46 (25/4/42)
Amex Mkt. Value	365.47	362.51	363.64	364.25	365.47 (11/4)	296.72 (14/1)	397.03 (10/10/89)	29.31 (9/12/72)
NASDAQ Composite	499.31	490.76	492.46	495.65	499.31 (11/4)	358.75 (14/1)	499.31 (11/4/91)	54.87 (31/10/72)

	Apr.5	Mar.22	Mar.15	year ago (approx.)
Dow Industrial Div. Yield	3.48	3.53	3.42	4.03

	Apr.3	Mar.27	Mar.20	year ago (approx.)
S & P Industrial div. yield	2.81	2.84	2.88	3.05
S & P Indl. P/E ratio	18.44	18.27	17.95	15.09

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day
Amer Express	5,193,900	27⅛	−⅛
Nabisco RJ	4,132,800	11½	+⅛
Laidlaw B	3,947,300	12⅞	−1
Adv Micro	3,845,400	12⅞	+1
Toys R Us	2,268,500	26⅞	+⅛
Upjohn	2,216,200	46⅛	−1⅛
IBM	2,214,200	110⅝	−⅛
Philip Morris	2,133,800	68½	+¼
Waste Man	2,101,900	36⅞	−1⅞
Pepsico	1,893,800	33	+½

TRADING ACTIVITY

† Volume (Millions)	Apr.11	Apr.10	Apr.9
New York	196.570	167.940	169.940
Amex	12.039	13.653	13.784
NASDAQ	197.914	172.700	170.477
Issues Traded	2,056	2,055	2,087
Rises	1,104	706	567
Falls	494	858	1,051
Unchanged	458	491	469
New Highs	102	64	89
New Lows	5	4	6

CANADA

TORONTO	Apr. 11	Apr. 10	Apr. 9	Apr. 8	1991 HIGH	1991 LOW
Metals & Minerals	3116.87	3079.56	3095.40	3132.89	3284.18 (5/3)	2632.06 (9/1)
Composite	3504.84	3494.06	3505.14	3515.68	3571.53 (6/3)	3161.95 (15/1)
MONTREAL Portfolio	1840.66	1834.06	1839.49	1843.37	1888.19 (5/3)	1686.89 (9/1)

Base values of all indices are 100 except NYSE All Common−50; Standard and Poor's−10; and Toronto Composite and Metals−1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds ‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable

	Apr. 12	Apr. 11	Apr. 10	Apr. 9	1991 HIGH	1991 LOW
AUSTRALIA						
All Ordinaries (1/1/80)	1455.8	1454.3	1442.6	1449.1	1459.8 (4/4)	1204.5 (16/1)
All Mining (1/1/80)	656.2	663.6	656.7	654.1	673.5 (19/3)	561.6 (16/1)
AUSTRIA						
Credit Aktien (30/12/84)	526.48	524.90	522.27	528.55	526.48 (12/4)	390.84 (15/1)
BELGIUM						
BEL20 (1/1/91)	1206.56	1198.93	1197.58	1201.72	1206.56 (12/4)	917.59 (17/1)
DENMARK						
Copenhagen SE (3/1/83)	(u)	350.17	350.07	352.76	354.26 (4/4)	302.26 (8/1)
FINLAND						
HEX General (28/12/90)	1163.9	1161.5	1160.3	1171.3	1186.9 (8/4)	890.5 (23/1)
FRANCE						
CAC General (31/12/82)	488.05	486.80	489.60	493.78	493.78 (9/4)	394.88 (15/1)
CAC 40 (31/12/87)	1821.43	1825.60	1816.92	1845.96	1851.89 (3/4)	1425.26 (15/1)
GERMANY						
FAZ Aktien (31/12/58)	672.46	668.64	666.55	677.11	682.77 (8/3)	570.48 (15/1)
Commerzbank (1/12/53)	1902.40	1872.50	1885.90	1917.80	1942.3 (8/3)	1612.5 (15/1)
DAX (30/12/87)	1583.14	1566.37	1561.89	1582.11	1602.29 (8/3)	1311.82 (16/1)
HONG KONG						
Hang Seng Bank (31/7/64)	3742.00	3703.93	3777.62	3757.30	3869.70 (3/4)	2984.01 (16/1)
IRELAND						
ISEQ Overall (4/1/88)	1484.05	1483.46	1487.19	1497.72	1520.65 (15/3)	1114.86 (25/1)
ITALY						
Banca Com. Ital. (1972)	594.20	589.93	591.77	592.94	600.29 (5/4)	486.26 (29/1)
JAPAN						
Nikkei (16/5/49)	26582.50	26425.19	26268.86	26317.39	27146.91 (18/3)	22442.78 (16/1)
Tokyo SE (Topix) (4/1/68)	2004.56	1985.15	1985.07	1986.29	2028.85 (18/3)	1625.00 (17/1)
2nd Section (4/1/68)	3220.55	3288.19	3280.45	3275.63	3283.57 (8/4)	2473.52 (24/1)
MALAYSIA						
KLSE Composite (4/4/86)	577.28	575.79	572.28	572.44	605.85 (11/3)	470.41 (16/1)
NETHERLANDS						
CBS Ttl.Rtn.Gen.(End 1983)	270.7	269.3	267.2	268.8	270.9 (3/4)	221.4 (16/1)
CBS All Shr (End 1983)	197.9	196.9	195.4	196.6	198.1 (3/4)	162.3 (16/1)
NORWAY						
Oslo SE (Ind) (2/1/83)	709.53	699.49	696.77	709.08	735.00 (8/3)	610.45 (21/1)
PHILIPPINES						
Manila Comp (2/1/85)	1070.58	1060.79	1067.68	(c)	1154.75 (8/4)	582.64 (10/1)
SINGAPORE						
SES All-Singapore (2/4/75)	404.06	401.00	397.86	400.41	415.46 (15/3)	315.07 (16/1)
SOUTH AFRICA						
JSE Gold (28/9/78)	1064.0	1067.0	1083.0	1089.0	1367.0 (14/1)	971.8 (25/2)
JSE Industrial (28/9/78)	3457.0	3458.0	3458.0	3453.0	3488.0 (11/4)	2829.0 (16/1)
SOUTH KOREA **						
Korea Comp Ex. (4/1/80)	639.44	641.46	645.75	646.04	697.62 (4/1)	614.60 (16/1)
SPAIN						
Madrid SE (30/12/85)	281.09	280.09	279.04	280.60	289.22 (18/3)	213.78 (14/1)
SWEDEN						
Affarsvärlden Gen. (1/2/37)	1096.80	1087.50	1083.00	1089.80	1119.0 (18/3)	808.4 (8/1)
SWITZERLAND						
Swiss Bank Ind. (31/12/58)	737.2	731.6	732.9	741.0	743.0 (3/4)	590.4 (14/1)
SBC General (1/4/87)	622.6	618.0	618.3	625.1	625.1 (9/4)	487.1 (14/1)
TAIWAN **						
Weighted Price (30/6/66)	5586.46	5454.61	5363.68	5349.76	5586.46 (12/4)	3316.26 (16/1)
THAILAND						
Bangkok SET (30/4/75)	(c)	892.78	882.75	885.75	892.78 (11/4)	582.48 (16/1)
WORLD						
M.S. Capital Intl.(1/1/70) (§)	518.5*	515.8	513.5	514.1	524.4 (5/4)	439.1 (16/1)

**Saturday April 6: Taiwan Weighted Price: (c). Korea Comp Ex. 651.00.
§ Subject to official recalculation. *Calculated at 15.00 GMT.
Base values of all indices are 100 except: BEL20, HEX General, ISEQ Overall and DAX−1,000, JSE Gold−255.7, JSE 25 Industrials−264.3 and Australia All Ordinary and Mining−500; (c) Closed. (u) Unavailable.

WORLD STOCK MARKETS

AMERICA

Dow falls back as Fed dashes hopes of rate cut

Wall Street

GOOD news on consumer prices inflation, the refusal of the Federal Reserve to respond with an interest rate cut, and predictable first quarter earnings from IBM pulled the stock market in different directions yesterday morning, *writes Patrick Harverson in New York.*

By 1.30 pm the Dow Jones Industrial Average was up 2.22 at 2,907.67, having spent almost all but the first hour of the morning in negative territory. The broad based Standard & Poor's 500 posted modest gains, climbing 0.74 to 378.37 at 1.15 pm, while the Nasdaq composite of over-the-counter stocks was up 0.56 at a record 499.87.

NYSE turnover was heavy at 130m shares by 1.15 pm, with advancing issues outpacing declining issues by 781 to 665.

Share prices had opened higher on the news of a 0.1 per cent decline in March consumer prices. It was the first monthly decrease since April 1986, and immediately raised hopes that the Federal Reserve would cut the discount rate or the federal funds rate later in the day. However, the lack of any movement from the Fed quickly deflated those hopes and prices dropped back by mid-morning.

The fall in three-month earnings at IBM from $1.81 a share a year ago to 93 cents a share, although expected, did nothing to change the market's opinion that the first quarter reporting season will be difficult. Amid worries about the effect of a slowdown in world economies and of a stronger dollar on the computer company's overseas earnings, IBM fell $1⅝ to $108⅞ on volume of 2.2m shares.

Over-the-counter technology stocks fell in sympathy with IBM, led by Apple, down $¼ at $71½ on turnover of 2m shares; Sun Microsystems, $⅛ lower at $34⅞; and Microsoft, down $½ at $106½ on 1.6m shares. Microsoft was further undermined by the revelation that the federal authorities are expanding their investigations into alleged anti-competitive practices by the company.

RJR Nabisco was the day's most actively traded stock, rising $⅛ to $11⅞ on 14.5m shares. Late on Thursday the company increased its planned issue of common stock from 75m shares to 100m shares, pricing them at $11¼ each.

Trading began yesterday in the when-issued shares of two component businesses of USX, the steel and energy group. After a delay caused by order imbalances on the buy side, USX-Steel jumped $2¼ to $22 and USX climbed $⅜ to $33⅜.

On the secondary market one of the biggest rises was posted by Biospherics, which soared $5¾ to $22¼ in brisk trading after the company received a patent for a new way to produce D-Tagatose, a low calorie sugar substitute.

Canada

TORONTO stocks fell in morning trade after the US Federal Reserve drained reserves from the banking system, indicating that it would not ease credit. Disappointing earnings results and renewed fears about the length of the recession also weighed on the market.

The composite index slipped 8.4 to 3,496.4. Advances narrowly led declines by 190 to 189 on volume of 14.17m shares.

Laidlaw class B shares dropped a further C$⅝ to C$14⅞ on volume of 1.06m shares. The company held an analysts' meeting to explain the sharp fall in its second quarter earnings. Canadian Pacific, which owns 20 per cent of Laidlaw, shed C$¼ to C$19⅞.

Deprenyl Research leapt C$1⅝ to C$18⅜ before its shares were halted pending news.

SOUTH AFRICA

JOHANNESBURG was steady to firmer in quiet, pre-weekend trading yesterday. The all-gold index closed unchanged at 1,067 while the industrial index hit a record high of 3,473, up 16. The all-share index rose 11 to 2,983.

Nasdaq breaks records as small becomes beautiful

Lack of liquidity and research has made US over-the-counter shares volatile, writes Patrick Harverson

AFTER staying away in droves for most of last year, US equity investors have rediscovered the over-the-counter (OTC) market, making small stocks big news.

Demand in the first quarter pushed trading volume on the electronic Nasdaq market – where most of the country's smaller capitalised companies are listed – to record levels. In the process it propelled the composite index of OTC, or secondary, stocks to an all-time high on four separate occasions. On Thursday, the index stood at a record 499.31.

Average volume on the Nasdaq market in the first quarter of the year was 161m shares a day, a 23 per cent increase on average daily volume in 1990. Volume growth on the New York Stock Exchange was also 23 per cent.

The increased volume on Nasdaq spurred the composite index to 29 per cent growth during the quarter, whereas the bigger volume on the New York Stock Exchange (NYSE) helped the Dow Jones Industrial Average rise 10.6 per cent and the Standard & Poor's 500 gain 13.6 per cent.

There are two reasons why the same growth in volume on the two markets produced sharply different rates of growth in share prices: liquidity, and the amount of research available on the stocks.

The NYSE is a highly liquid market. There is usually enough supply to meet demand and, when there is not, the specialists – the marketmakers who man the floor of the exchange and bring buyers and sellers together – step in to fill the gaps. This makes price movements less volatile and more reflective of supply and demand flows.

In contrast, the companies listed on Nasdaq are smaller in size than on the NYSE, so there is less stock around to buy and sell. And there are no specialists, a point that has been regularly raised by critics, who have complained in the past that dealers have not always been available at the end of the telephone to make a trade. The lack of liquidity leads to greater volatility; a small amount of demand can provoke a big movement in the share price.

The amount of research available is also important. Among the thousands who have lost their jobs on Wall Street since the 1987 crash, a good number were analysts who had specialised in researching smaller stocks.

Now that few remain, investors are increasingly in the dark about OTC stocks, which leads to inefficient decision-making and price volatility. "Without the inputs and valuations, it's like a bull in a china shop," says Mr Laszlo Birinyi, one of Wall Street's best-known market strategists.

And the bull in the china shop is not always the unsophisticated private investor. In recent months demand from institutional investors for OTC stocks has been exceptionally strong, as statistics compiled by the Securities Industry Association show. In February, the last month for which figures are available, institutions were net buyers of secondary stocks on every day but one, says the SIA.

Overall, institutional net purchases of Nasdaq stocks nearly quadrupled from 2.2m shares a day in January to 8m shares a day in February, the highest level for five years. In the first two months of 1991, institutional net purchases of OTC stocks averaged 4.9m shares daily, compared with ½m a day during 1990.

Institutional buying has paid off handsomely. Small-company mutual funds saw the value of their holdings rise by 25.6 per cent during the quarter. In comparison, the average equity mutual fund climbed just under 15 per cent.

The surge in demand from institutions was itself prompted by a rush of money into funds, the bulk of it from small investors seeking to take part in what many regard as a new bull market. Investors have also been keen to buy OTC stocks because they believe smaller companies respond more quickly to economic recovery.

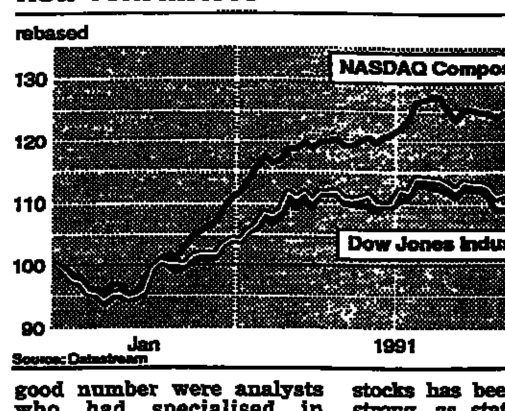
While the institutions have led the way in the secondary market, individual buyers have not been far behind. At Shearson Lehman, the US securities house that trades the greatest number of OTC stocks, total OTC volume in the first two months of 1991 was 54 per higher than a year earlier. About 40 per cent of the trades executed by Shearson during that period involved 2,000 shares or less, an indication of demand from private investors.

The OTC market has also benefited from the perception that the stocks are still cheap. The lack of research makes valuation difficult, but by some measures, OTC issues still look historically inexpensive. At the end of March, the Russell 2,000 OTC index shows stocks were trading at 1.5 times their book value, below the multiple of 2.1 seen just before the October 1987 market crash, and below the 1.7 seen prior to the mini-crash of October 1989.

If stock prices are compared with corporate sales, the Russell 2,000 in early April was trading at 48 per cent of sales per share, compared with 58 per cent in September 1989 and 68 per cent before the 1987 crash.

Within the OTC market, the best performers have been healthcare and technology stocks. Among the former, the stars have tended to be small, fast-growing companies such as Liposome, Home Intensive Care and Immune Response, which is developing drugs for AIDS and auto-immune diseases. Among the latter, Phoenix Technologies and Adobe Systems have stood out, as well as better known names such as Microsoft and Apple.

New York Indices



EUROPE

German retailers feature in quiet continental trade

BOURSES GAVE a moderate welcome to Wall Street's overnight rise yesterday, although the late-closers lost their initial enthusiasm. However, there was sustained interest in individual shares or sectors, such as Frankfurt's retailers, *writes Our Markets Staff.*

FRANKFURT saw lively trading in retailing shares as several domestic banks put the sector on their buy list. A 9.5 per cent jump in real terms in February retail sales also boosted the sector.

The market in general was encouraged by Wall Street's overnight strength and the cut in UK interest rates. Short-covering before the weekend also lifted prices. The DAX index rose 17.77 to 1,583.14 and the FAZ put on 3.82 to 672.46; both were little changed on the week. Volume rose to DM4.9bn from DM4.7bn.

Among the department stores, Karstadt jumped DM34 or 5.9 per cent to DM615 and Kaufhof was up DM16.50 or 2.8 per cent at DM508, while supermarket chain Massa rose DM18 or 5 per cent to DM375.

Volkswagen gained DM3.50 to DM364.50 before announcing that the dividend on common and preference shares would remain unchanged in 1990 from 1989. The carmaker also said that it was planning a listing on the Milan bourse. Dresdner Bank, which reported a 4 per cent climb in group partial operating profit for 1990, rose DM6.30 to DM362.80.

MILAN was boosted by continued heavy trading in Generali, the insurer, which has been actively sought this week on rumours of a scrip issue and talk that Fiat would sell its stake in fellow insurer Toro to Generali. However, denials from Generali on both counts brought the share price off the day's high of L37,300. The price was officially fixed at L37,090, up L940.

The Comit index rose 4.27 to 594.20, but was 1.1 per cent lower on the week.

PARIS lost its early gains. The CAC 40 index, which reached a day's high of 1,837.64, ended 4.17 lower at 1,821.43 for a fall on the week of 1.6 per cent.

In the banking sector, Société Générale gained FFr18.20 or 4.3 per cent to FFr443.30 on volume of 101,530 shares. One sector analyst said that the bank had produced a favourable impression at an analysts' meeting in London on Thursday. But he added that the market was likely to be upset by Standard & Poor's move to put Société Générale on credit watch.

Michelin, the tyremaker, rebounded from recent weakness, rising FFr3.90 or 4.6 per cent to FFr88.70 on active volume of 382,850 shares. In contrast, Havas, the media group, fell FFr17 or 3.1 per cent to FFr535 and Avenir Havas Media, its posters and freesheets arm, lost FFr7.80 or 3.4 per cent to FFr225.20, following the previous day's results.

ZURICH firmed across the board before a three-day weekend. The Crédit Suisse index gained 3.4 to 561.0, ending the week slightly lower.

Oerlikon-Bührle, the arms and engineering group, was suspended. It announced an increased operating loss for 1990, and said that a cut in capital was inevitable.

Bearers in Ciba-Geigy, the chemical company, added SFr10 to SFr2,870. Late in the day it announced a fall in first quarter sales, and warned that 1991 would be a difficult year. One dealer said that this was not unexpected, but added that the shares looked overvalued compared with Sandoz. The latter's bearers gained SFr400 or 3.6 per cent to SFr11,600.

MADRID responded to a better-than-expected inflation figure for March with a 1.0 rise on the general index to 281.09, standing barely changed on the week. Turnover grew to about Pta19bn, from Pta13.5bn.

AMSTERDAM closed mixed as late position-squaring eroded most of its gains. The CBS tendency index rose 0.1 to 95.8 – down 1.3 per cent on the week – after peaking at 96.2.

STOCKHOLM was helped higher by Wall Street. The Affärsvärlden General index rose 8.1 to 1,096.0, up 1.5 per cent on the week, as volume fell to SKr287m from SKr347m.

OSLO rose on the back of higher oil prices but was still wary about new government tax reforms. The all-share index rose 4.11 to 480.72 in turnover of NKr280m.

VIENNA reached a year's high. The bourse index rose 2.42 to 587.33.

FT-SE Eurotrack 100 - Apr 12

Hourly changes

Open	10 am	11 am	Noon	1 pm	2 pm	3 pm	Close
1111.37	1111.95	1113.15	1114.40	1115.45	1117.94	1119.59	1116.71

Day's High 1121.60 Day's Low 1111.20

Apr 11	Apr 10	Apr 9	Apr 8	Apr 5
1108.33	1102.87	1111.57	1113.55	1119.54

Base value 1000 (26/10/90)

ASIA PACIFIC

Second-liners seize investors' attention

Tokyo

SHARE prices moved higher yesterday on late index-linked buying by investment trusts, but trading remained thin before the release of US data. Interest focused on smaller stocks on the second section and the over-the-counter (OTC) market, *writes Emiko Terazono in Tokyo.*

The Nikkei average closed 157.31 up at 26,582.50, 0.7 per cent lower on the week, after a day's high of 26,606.67 and a low of 26,392.54. Volume remained light at 360m shares, up from 320m.

Volume on the second section and the OTC market, however, rose threefold as the second-section index gained 56.64 to 3,072.71 and the OTC average added 40.36 to 3,320.75.

Advances led declines by 676 to 292, with 163 issues remained unchanged. The Topix index of all first section issues rose 19.41 to 2,004.56 and in London, the ISE/Nikkei 50 index rose 2.46 to 1,512.88.

Sentiment improved in the afternoon after Mr Ryutaro Hashimoto, the finance minister, hinted that the government's curb on bank loans for land transactions could be lifted soon, which could help ease the tight credit situation.

Nippon Express, a door-to-door parcel delivery company, added Y22 to Y946 on news that the company had opened a route between Singapore and Malaysia. The issue has been popular recently on its strength in international cargo transport services.

Niigata Engineering, a plant machinery maker, rose Y3 to Y799 on heavy buying by a medium-sized broker, which has been promoting the stock on the labour-saving theme.

Cosmo Oil advanced Y4 to Y792 on reports that it had developed a device to remove nitrogen oxide from exhaust fumes. Nihon Noyaku, an agrochemical maker, rose Y30 to Y1,890 on rumours of institutional buying.

Nippon Typewriter closed Y140 higher at Y2,360 after hitting a record Y2,390 on the second section, on news that trading regulations would be revised to allow margin trading in second-section stocks.

In Osaka, the OSE average gained 63.17 to 29,780.42 on volume of 33.1m shares. Nippon Ceramic closed Y330 up at Y7,280 after rising by its daily limit of Y500 on reports of an expected 62 per cent increase in pre-tax profits, thanks to strong sales of infra-red and supersonic sensors.

Roundup

THE OVERNIGHT strength on Wall Street produced moderate buying in Asia Pacific markets.

HONG KONG rebounded after the previous day's 2 per cent fall. Rumours of progress in the talks in Peking on Hong Kong's airport plans helped the Hang Seng index gain 38.07 to 3,742.00, a fall on the week of 2.8 per cent. Turnover grew to HK$1.58bn from HK$1.5bn.

TAIWAN was pulled higher at the close in the heaviest turnover for more than four months. The weighted index closed 131.85 or 2.4 per cent higher at 5,586.46, up 4.5 per cent on the week, and turnover surged to T$94bn from T$65bn.

The government began selling 281.1m shares of China Steel Corp to the public to raise T$6.5bn. The new shares are being sold at T$23.27 compared with their present market value of more than T$40.

NEW ZEALAND gained 1.3 per cent in hefty turnover, distorted by a restructuring at National Provident Fund, the pension fund. The Barclays index rose 17.77 to 1,402.84, a gain of 3.1 per cent on the week, in turnover of NZ$250m.

AUSTRALIA edged higher on hopes of lower interest rates. The All Ordinaries index added 1.5 to 1,455.8, little changed on the week. Turnover rose to A$252m from A$185m. TNT, the transport group, fell 9 cents to A$1.57 on reports that 50m shares had been placed at A$1.50 each.

MANILA rose on aggressive buying of blue chips. The composite index gained 9.79 to 1,070.58, down 6.8 per cent on the week. Turnover rose to 194m pesos from 160m pesos.

SINGAPORE firmed on selective buying. The Straits Times Industrial index rose 10.70 to 1,481.67 in trading worth S$137m, up from S$103m.

KUALA LUMPUR's composite index rose 1.49 to 577.28, but was 2.1 per cent down on the week. Volume was steady.

SEOUL fell for a sixth consecutive day. The composite index lost 2.02 to 639.44, 2.3 per cent down on the week.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	THURSDAY APRIL 11 1991								WEDNESDAY APRIL 10 1991					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1991 High	1991 Low	Year ago (approx)
Australia (74)	136.51	+0.1	113.03	117.27	118.63	116.03	+0.8	5.86	136.32	113.58	117.45	118.96	115.13	137.70	112.74	134.64
Austria (19)	207.56	+1.3	171.87	178.31	180.37	180.13	+1.2	1.46	204.95	170.75	176.58	178.85	178.02	222.37	167.00	277.96
Belgium (60)	142.12	+0.9	117.68	122.08	123.51	120.22	+0.2	4.94	140.82	117.33	121.32	122.89	119.99	151.20	121.73	148.76
Canada (116)	138.16	+0.4	114.40	118.68	120.06	115.05	+0.2	3.44	137.58	114.63	118.53	120.05	114.77	141.10	126.49	138.98
Denmark (31)	244.03	+0.0	202.06	209.63	212.06	212.66	−0.4	1.57	243.91	203.22	210.15	212.85	213.56	270.56	217.74	249.71
Finland (21)	123.57	−0.2	102.32	106.16	107.38	102.60	+0.3	2.37	123.82	103.16	106.69	108.05	102.32	125.15	90.61	135.96
France (113)	141.57	+0.8	117.22	121.61	123.01	125.47	+0.3	3.46	140.44	117.01	121.00	122.55	125.08	152.26	121.85	165.87
Germany (88)	111.26	+0.8	92.12	95.59	96.68	96.68	+0.3	2.32	110.42	92.00	95.15	96.36	96.36	125.35	102.43	136.11
Hong Kong (48)	151.12	−2.1	125.13	129.82	131.33	151.16	−2.1	4.53	154.35	128.60	132.99	134.70	154.39	158.75	119.62	123.68
Ireland (16)	165.64	−0.1	137.16	142.29	143.94	146.06	−0.5	3.13	165.78	138.12	142.83	144.67	146.78	182.46	132.88	189.09
Italy (91)	81.40	+0.1	67.40	69.92	70.73	75.39	−0.2	3.38	81.29	67.73	70.03	70.93	75.58	88.23	72.05	100.27
Japan (452)	141.78	+0.4	117.40	121.79	123.22	121.79	+0.1	0.70	141.25	117.68	121.69	123.27	121.69	146.97	118.35	134.06
Malaysia (33)	232.33	+0.2	192.37	199.57	201.89	245.21	+0.3	3.09	231.79	193.12	199.69	202.26	244.38	247.78	192.83	217.74
Mexico (12)	840.14	+2.9	695.66	721.72	730.09	2748.35	+2.9	0.25	816.85	680.56	703.77	712.82	2671.26	840.14	534.45	403.66
Netherland (40)	141.28	+1.3	116.99	121.37	122.78	121.33	+0.8	4.30	139.49	116.21	120.18	121.73	120.39	145.73	125.70	140.13
New Zealand (14)	47.22	+1.7	39.10	40.57	41.04	42.49	+1.8	8.04	46.43	38.68	40.00	40.52	41.74	52.31	41.18	62.37
Norway (30)	194.21	+0.3	160.81	166.84	168.77	171.41	+0.0	1.83	193.55	161.26	166.76	168.90	171.48	223.24	182.24	229.15
Singapore (25)	194.10	+0.2	160.72	166.74	168.67	157.25	+0.3	2.13	193.73	161.40	166.91	169.05	156.81	208.25	151.63	188.85
South Africa (60)	203.50	−0.1	168.50	174.81	176.84	147.05	−0.4	3.86	203.66	169.68	175.47	177.72	147.65	208.54	173.00	185.74
Spain (41)	161.60	+1.1	133.81	138.82	140.43	126.22	+0.5	4.50	159.86	133.19	137.74	139.50	125.59	171.12	131.51	145.20
Sweden (27)	187.01	+0.3	154.85	160.65	162.52	167.08	+0.0	2.60	186.51	155.39	160.70	162.76	167.12	204.12	146.80	180.40
Switzerland (65)	96.72	+0.8	80.09	83.09	84.06	84.64	−0.1	2.44	95.96	79.95	82.69	83.75	84.69	100.67	82.17	91.97
United Kingdom (295)	182.23	+1.0	150.89	156.53	158.34	150.89	+0.4	4.70	180.36	150.27	155.38	157.38	150.27	187.44	158.27	148.01
USA (525)	153.16	+1.2	126.82	131.58	133.10	153.16	+1.2	3.20	151.39	126.13	130.44	132.12	151.39	154.09	125.95	139.26
Europe (937)	144.46	+0.9	119.62	124.10	125.55	122.72	+0.3	3.86	143.20	119.31	123.38	124.97	122.32	151.52	125.50	141.35
Nordic (109)	182.87	+0.2	151.42	157.09	158.91	155.14	−0.2	2.08	182.58	152.10	157.29	159.31	155.41	200.81	155.56	187.36
Pacific Basin (646)	141.49	+0.3	117.16	121.55	122.96	122.13	+0.1	1.04	141.07	117.53	121.54	123.10	122.06	145.92	117.86	133.68
Euro–Pacific (1583)	143.06	+0.5	118.46	122.89	124.31	123.24	+0.2	2.21	142.29	118.55	122.59	124.16	123.04	147.66	121.29	137.14
North America (641)	152.15	+1.1	125.99	130.72	132.24	150.60	+1.1	3.21	150.45	125.35	129.64	131.32	148.93	153.04	125.91	138.15
Europe Ex. UK (642)	121.75	+0.8	100.82	104.61	105.83	106.27	+0.3	3.18	120.84	100.68	104.13	105.47	106.01	129.80	106.85	135.37
Pacific Ex. Japan (194)	137.22	−0.6	113.62	117.90	119.26	121.98	−0.3	5.03	138.05	115.01	118.96	120.48	122.31	139.90	111.40	128.38
World Ex. US (1771)	143.90	+0.5	119.16	123.63	125.06	123.82	+0.2	2.26	143.13	119.25	123.33	124.91	123.61	148.16	122.32	137.82
World Ex. UK (2001)	142.39	+0.7	117.90	122.33	123.75	131.12	+0.5	2.33	141.36	117.78	121.80	123.37	130.42	143.99	120.06	136.20
World Ex. So. Af. (2236)	145.58	+0.8	120.54	125.07	126.52	132.98	+0.5	2.59	144.47	120.36	124.48	126.08	132.27	147.10	122.92	136.94
World Ex. Japan (1844)	149.53	+1.0	123.81	128.46	129.96	139.04	+0.7	3.53	148.12	123.41	127.63	129.28	138.01	151.69	126.69	140.27
The World Index (2296)	145.93	+0.8	120.83	125.36	126.82	133.08	+0.5	2.80	144.83	120.66	124.78	126.39	132.38	147.40	123.28	137.24

Latest prices were unavailable for this edition.

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1991 High	1991 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
99[illegible]	98[illegible]	Treas 10pc Cv '91 ‡‡	99[illegible]	.....	10.05	11.61
99[illegible]	99[illegible]	Exch. 11pc 1991	99[illegible]	.....	11.02	11.26
98[illegible]	96[illegible]	Treas. 8pc 1991	98[illegible]	.....	8.16	11.01
101[illegible]	100[illegible]	Treas 12¾pc 1992‡‡	101[illegible]	−[illegible]	12.58	10.92
99[illegible]	97[illegible]	Treas 10pc 1992	99[illegible]	−[illegible]	10.07	10.87
97[illegible]	95[illegible]	Treas. 8pc 1992 ‡‡	97[illegible]	.....	8.21	10.72
99[illegible]	98½	Treas 10½pc Cv 1992‡‡	99[illegible]	.....	10.52	10.71
93[illegible]	91[illegible]	Treas. 3pc 1992	93[illegible]	.....	3.20	8.60
102[illegible]	100[illegible]	Exch. 12¼pc '92	102	−[illegible]	12.01	10.67
104[illegible]	102[illegible]	Exch 13½pc 1992	103[illegible]	−[illegible]	13.00	10.54
96[illegible]	94	Treas 8¼pc 1993	96[illegible]	−[illegible]	8.56	10.41
99[illegible]	97[illegible]	Treas 10pc 1993‡‡	99[illegible]	−[illegible]	10.06	10.36
104[illegible]	102[illegible]	Treas 12½pc 1993‡‡	104[illegible]	−[illegible]	12.00	10.34
93[illegible]	89[illegible]	Funding 6pc 1993‡‡	93[illegible]	+[illegible]	6.45	9.24
108[illegible]	105[illegible]	Treas 13¾pc 1993‡‡	107[illegible]	−[illegible]	12.78	10.41
96	92[illegible]	Treas. 8½pc 1994	95[illegible]	−[illegible]	8.88	10.29
111[illegible]	108[illegible]	Treas 14½pc 1994‡‡	110[illegible]	−[illegible]	13.14	10.25
109	105[illegible]	Exch 13½pc 1994	108[illegible]	−[illegible]	12.47	10.29
99[illegible]	96[illegible]	Treas. 10pc Ln. 1994‡‡	99[illegible]	−[illegible]	10.06	10.26
106[illegible]	103[illegible]	Exch. 12½pc 1994	106[illegible]	−[illegible]	11.76	10.29
96¾	93¼	Treas 9pc 1994‡‡	96½[illegible]	−[illegible]	9.33	10.24
106[illegible]	102[illegible]	Treas 12pc 1995	105[illegible]	+[illegible]	11.35	10.22
85¼	82¼	Exch 3pc Gas 90-95	85¼[illegible]	.....	3.50	7.33
100[illegible]	96[illegible]	Exch. 10¼pc 1995	100[illegible]	+[illegible]	10.21	10.21
109[illegible]	105[illegible]	Treas 12¾pc 1995‡‡	109[illegible]	−[illegible]	11.66	10.24
113[illegible]	109[illegible]	Treas. 14pc '96	112[illegible]	.....	12.40	10.55
96¾	92[illegible]	Treas. 9pc 1992-96‡‡	96[illegible]	.....	9.31	9.92

Five to Fifteen Years

1991 High	1991 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
119[illegible]	115[illegible]	Treas 15¼pc 1996‡‡	118[illegible]	+[illegible]	12.85	10.47
112¾	108	Exch 13¼pc 1996‡‡	111[illegible]	+[illegible]	11.90	10.42
100[illegible]	95[illegible]	Conversion 10pc 1996	99[illegible]	.....	10.07	10.24
113[illegible]	108[illegible]	Treas 13¼pc 1997‡‡	112[illegible]	.....	11.79	10.42
102[illegible]	97¼	Exch 10½pc 1997	101[illegible]	−[illegible]	10.39	10.26
94[illegible]	89[illegible]	Treas 8¾pc 1997‡‡	93[illegible]	−[illegible]	9.36	10.15
122[illegible]	117	Exch 15pc 1997	120[illegible]	−[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Over Fifteen Years

1991 High	1991 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Undated

1991 High	1991 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BRITISH FUNDS—Contd

Index-Linked

1991 High	1991 Low	Stock (b)	Price £	+ or −	(1)	(2)
127¾	125[illegible]	Tr. 2pc '92‡‡ (97.8)	127[illegible]	+[illegible]	1.70	4.34
117[illegible]	115[illegible]	Do. 2 '94 (102.9)	117[illegible]	.....	3.11	3.90
171¾	168[illegible]	Do. 2pc '96 (67.9)	171¾	+[illegible]	3.32	3.81
141[illegible]	137[illegible]	Do 2½pc '01 (78.3)	141[illegible]	+[illegible]	3.79	4.07
137	133	Do. 2½pc '03 (78.8)	137	.....	3.89	4.13
139	135	Do. 2pc '06 (69.5)	139	.....	3.97	4.16
128[illegible]	124[illegible]	Do. 2½pc '09 (78.8)	128[illegible]	+[illegible]	3.98	4.16
132¾	128½	Do. 2½pc '11 (74.6)	132¾	+[illegible]	3.99	4.15
109¾	105¾	Do. 2½pc '13 (89.2)	109¾	+[illegible]	3.97	4.13
117[illegible]	113[illegible]	Do. 2½pc '16 (81.6)	117[illegible]	+[illegible]	3.95	4.10
113[illegible]	109[illegible]	Do. 2½pc '20 (83.0)	113[illegible]	+[illegible]	3.93	4.05
95	91[illegible]	Do. 2½pc '24‡‡ (97.7)	95	+[illegible]	3.87	3.99

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base for indexing, (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in January 1987. Conversion factor 3.945. RPI for July 1990: 126.8 and for February 1991: 130.9.

INT. BANK AND O'SEAS

1991 High	1991 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
102	95¾	African Dv Bk 11¼ Ln 2010	108[illegible]	−[illegible]	11.01	10.99
97[illegible]	91¾	Asian Dev Bk 10¼pcLn2009	96[illegible]	−[illegible]	10.60	10.65
112[illegible]	105[illegible]	Int-Am Dev Bk 12½pc 2003	110[illegible]	−[illegible]	11.26	10.82
92[illegible]	86[illegible]	Do. 9½pcLn 2015	91[illegible]	−[illegible]	10.63	10.71
116	101	Utd. Mexican States 16½pc 2008	116	+2	14.22	13.99

CORPORATION LOANS

1991 High	1991 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
103½	101½	Birmingham 11½pc 2012	103½	.....	11.11	11.07
96½	93½	GLC 6¼pc 1990-92	96½	.....	6.99	11.20
115½	110[illegible]	Leeds 13½pc 2006	114½	.....	11.79	11.56
30	28	Liverpool 3½pc Irred	30	.....	11.67	—
27	26	LCC 3pc '20 Aft	27	.....	11.11	—
103½	97½	Manchester 11½pc 2007	102½	.....	11.22	11.20

COMMONWEALTH & AFRICAN LOANS

1991 High	1991 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
90	84½	Sth Rhod. 87-92 Asstd	90	.....	—	—

LOANS

Building Societies

1991 High	1991 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
104¼	102½	N'wide Anglia 3¾pc Ln 2021	104	.....	—	5.33
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Public Board and Ind.

1991 High	1991 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
53	52	Met. Wtr. 3pc 'B'	52	.....	5.77	9.70

FOREIGN BONDS & RAILS

1991 High	1991 Low	Stock	Price £	+ or −	Div %	Red. Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMERICANS

1991 High	1991 Low	Stock	Price £	+ or −	Div Gross	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMERICANS—Contd

1991 High	1991 Low	Stock	Price £	+ or −	Div Gross	C'vr	Y'ld Gr's
48[illegible]	37[illegible]	CPC Intl. 25c	47[illegible]	+[illegible]	$2.00	–	2.4
717p	420p	California Engy	768p				–
49[illegible]	28¼	Campbell Soup 15c	47½	−¼	$1.16	–	1.4
10¼	5[illegible]	Chase Manhattan $12½	9¼	+½	$1.20	–	6.9
8¾	5½	Chrysler $6¼	7½	−¼	60c	–	4.4
9¼	5¾	Citicorp $1	8[illegible]	−[illegible]	$1.00	–	6.5
45¾	34[illegible]	Colgate-Palmolive $1	44[illegible]	−[illegible]	$2.12	–	2.7
715p	438p	Cont'l Bank Corp $4	765p	+15	$1.00	–	7.9
77p	45p	Corporate Data Scnce	72p				–
17¼	13[illegible]	Dana Corp. $1	15[illegible]	−[illegible]	$1.60	–	5.6
808p	203p	Data General	807p	+20			–
27¼	20¾	Dun & Bradstreet $1	26¾	.....	$2.12	–	4.5
33¼	24¼	Eaton Corpn. 50c	30¼	−½	$2.20	–	4.0
7½	5½	Echlin Inc	6[illegible]	−[illegible]	70c	–	6.0
17½	14[illegible]	FPL Group 1c	17[illegible]	+[illegible]	$2.36	–	7.7
28¼	17[illegible]	Fluor Corp 62½pc	25[illegible]	−[illegible]	32c	–	0.7
19[illegible]	13[illegible]	Ford Motor $1	17[illegible]	+¼	$1.60	–	3.1
40[illegible]	28[illegible]	Gen. Elect. 63c	40[illegible]	−[illegible]	$2.04	–	2.8
439p	270p	General Host Corp $1	387p		34c	–	4.9
45¼	29¾	Gillette $1	42¾	+½	$1.08	–	1.4
91p	35p	Gt American Bank $1	42p				–
18[illegible]	12¾	Greyhound Dial $1½	17½	−[illegible]	$1.32	–	4.4
14[illegible]	794p	Hasbro Inc 50c	13¾	.....	20c	–	0.8
34[illegible]	21¾	Honeywell $1½	32¾	+¼	$1.50	–	2.6
20¾	17¾	Houston Inds.	20¾	+¼	$2.96	–	8.0
72[illegible]	55[illegible]	IBM Corpn $1¼	61[illegible]	−[illegible]	$4.84	–	4.4
27¼	18[illegible]	Ingersoll-Rand $2	25[illegible]	+½	$1.32	–	2.8
24½	16½	Lockheed Crpn. $1	23½	+¼	$1.80	–	4.3
2¾	2¼	Lone Star Inds $1	2¾	+[illegible]	$1.90	–	–
24[illegible]	18[illegible]	Louisiana Land 15c	21[illegible]	+[illegible]	$1.00	–	2.6
1791p	1245p	Lowe's 50c	1766p	+18	52c	–	1.6
15[illegible]	9½	Manuf. Hanover $1	15[illegible]	+[illegible]	$3.28	–	11.9
21[illegible]	10[illegible]	Merrill Lynch $1	20[illegible]	+[illegible]	$1.00	–	2.7
18[illegible]	11½	Molex Inc	17½	+½	4c	–	0.1
27	21[illegible]	Morgan (JP) $2½	25¾	.....	$1.98	–	4.3
39¼	25[illegible]	Morris (Philip)	38¼	.....	$1.72	–	2.5
42½	39	NYNEX $1	40½	+½	$4.56	–	6.3
89p	60p	Pac. Agricultural	64p				–
20¾	11¾	Pall Corp. 25c	19¾	−½	b44c	–	1.2
43¾	33¼	Pennzoil 83 1/3c	40[illegible]	+[illegible]	$3.00	–	4.1
34¾	24¾	Quaker Oats $5	33	+[illegible]	$1.56	–	2.6
33¾	24[illegible]	Rep NY Corpn $5	33½	+¼	$1.40	–	2.3
16[illegible]	12¼	Rockwell Intl. $1	15¼	+¼	86c	–	3.3
20[illegible]	12[illegible]	Sears, Roebuck 75c	18¼	−¼	$2.00	–	6.0
32	25½	Southwestern Bell $1	30	+½	$2.84	–	5.3
19[illegible]	14[illegible]	Sun Co. Inc. $1	17[illegible]	+[illegible]	$1.80	–	5.6
23½	18¼	TRW Inc. 62½c	22¼	.....	$1.80	–	4.5
26¾	21¼	Tenneco $5	24¼	+¼	$3.20	–	7.4
37½	29[illegible]	Texaco $6.25	37½	+[illegible]	$3.20	–	4.8
24¾	17¼	Texas Instr. $1	23[illegible]	+[illegible]	72c	–	1.7
67¼	41[illegible]	Time Warner $1	63¼	+[illegible]	$1.00	–	0.9
14[illegible]	8¾	TRINOVA Corp	12½	−[illegible]	68c	–	3.0
18½	14½	USX $1	18[illegible]	.....	$1.40	–	4.3
347p	250p	Unitab	347p				–
27½	22¾	Utd. Technologies	26½	.....	$1.80	–	3.8
54p	42p	Utilitech Inc	42p				–
22½	18¼	US West	21¼	−¼	$2.08	–	5.4
23[illegible]	16¾	Waste Management $1	20¾	−1[illegible]	36c	–	1.0
1668p	1053p	Whirlpool $1	1662p	−14	$1.10	–	3.8
19¼	13½	Woolworth $3½	17¼	−¼	$1.04	–	3.3

CANADIANS

1991 High	1991 Low	Stock	Price £	+ or −	Div Gross	C'vr	Y'ld Gr's
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Continued on next page

● Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 071-925-2128

LONDON SHARE SERVICE

BANKS, HP & LEASING

1991 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
£11¼	£9⅞	ABN Amro Fl5	£11¼	+⅛	Q30%	♦	4.2	♦
151	121	ANZ SA1	142	−2	Q38c	1.9	11.7	4.6
288	211	Abbey National 10p	286	+2	9.5	Q3.0	4.4	9.9
183	126	Allied Irish Ord	171	+1	†Q40%	3.3	5.2	7.7
65	53	Anglo Irish	60	.....	Q18.6%	2.3	7.0	7.9
60	38	Ansbacher (H.) 1p	38	.....	1.5	0.3	5.3	−
£59	£42	Bancaire Cie Fr100	£49	+⅛	Q15%	−	3.1	−
£17¼	£12½	Banco Bilbao Viz	£17	.....	Q49.1%	2.7	4.8	7.7
£30	£21	Banco de Santander	£30¼	−⅛	Q28.7%	2.3	4.0	10.7
208	139	Bank Ireland IrE1	198	.....	Q14.7%	2.9	6.7	6.9
£19½	£19½	Bank Leumi	£19½	.....	−	−	−	−
350	350	Bank Leumi (U.K.) £1	350	.....	16.0	−	6.1	−
146	111	Bank Scotland	140	.....	†4.55	3.4	4.3	8.9
110	96½	Do. 9¼pc Irrd Pf £1	105¼	.....	9¼%	−	11.7	−
110½	99½	Do. 9¾pc Irrd Pf £1	109½	.....	9¾%	−	11.8	−
43	35	Bank of Wales	43	.....	2.8	0.8	8.7	(20.7)
489	327	Barclays £1	472	+4	21.15	1.1	6.0	19.6
12	9	Benchmark 20p	10	.....	0.75	−	10.0	−
252	195	Brown Shipley £1	252	.....	‡12.0	2.2	‡	8.1
464	384	Cater Allen £1	454	.....	F24.5	−	7.2	−
44	36	Chancery	36	.....	†9.0	2.7	‡	1.4
£18⅝	£15	Commerzbk DM10	£17½	.....	Q20%	−	3.9	−
£231¼	£192	Deutsche Bk DM50	£214¼	+4	Q28%	−	2.2	−
£9¾	£7	Dai Ichi KBk Y50	£9½	+⅛	Q17%	6.2	0.4	44.9
£18½	£16¼	Espirito Santo	£17	−⅛	Q75c	5.1	2.3	8.3
213	152	First Nat. Fin. 10p	207	+2	13.0	1.2	8.4	(12.3)
110	78	FNFC 6.5pc Cv Pf £1	108	.....	6.5%	−	7.8	−
1100	867	Fuji Bank Y50	1070	.....	†Q17%	6.9	0.3	45.6
355	303	Gerrard & National	339	.....	19.0	−	7.5	−
78	50	Guinness Mahon 10p	51½	.....	1.45	−	3.8	−
193	183	HSBC Hldgs HK$10	183	−2	Q38.18c	−	1.5	−
302	204	Hambros 20p	277	+10	†11.5	−	5.5	−
125	90	Do. 7.5pc Cv Pf £1	112	.....	7½%	−	8.9	−
413	378	Joseph (Leo) £1	408	.....	15.85	−	5.2	−
153	121	King & Shaxson 20p	150	−1	10.25	−	9.1	−
377	249	Kleinwort Benson Grp	337	.....	16.0	−	6.3	−
491	382	Kyowa Bk Y50	467	+4	Q14%	3.8	0.6	44.1
379	268	Lloyds £1	353	−7	15.3	1.6	5.8	14.4
63	47	Lon. Scot. Bank 10p	58	.....	2.75	1.7	6.3	10.6

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING, TIMBER, ROADS

BUILDING, TIMBER, ROADS — Contd

CHEMICALS, PLASTICS

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS — Contd

ELECTRICITY

ENGINEERING

ENGINEERING — Contd

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS (Miscel.) — Contd

INDUSTRIALS (Miscel.) — Contd

INSURANCES

LEISURE

LONDON SHARE SERVICE

● Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 071-925-2128

MOTORS, AIRCRAFT TRADES

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Contd

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRANSPORT

INVESTMENT TRUST

INVESTMENT TRUST—Contd

INVESTMENT TRUST—Contd

Net asset values supplied by County NatWest Wood Mackenzie

FINANCE, LAND, ETC

WATER

OIL AND GAS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Diamond and Platinum

Central African

Finance

Australians

MINES—Contd

Tins

Miscellaneous

NOTES

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

IRISH

TRADITIONAL OPTIONS

3-month call rates

Industrials

Property

Oils

Mines

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1,150 a year for each security shown, subject to the Editor's discretion.

FINANCIAL TIMES
Weekend April 13/April 14 1991

BT stake sale sees rethink of flotation tactics

By Hugo Dixon and Roland Rudd

THE GOVERNMENT is considering breaking with the practice of past privatisations in the sale of its stake in BT by paying banks and building societies much larger commissions to sell the shares to the public.

Part of the funding for the huge advertising and public relations campaigns, which have been such a distinctive feature of previous flotations, could then be used to pay for these commissions.

The government last month called for innovative ideas as to how to distribute shares to the retail market when it announced its plans to sell more of its 48.6 per cent BT stake.

S. G. Warburg, which earlier this week won the contest to be the government's lead adviser in the sale, has already put forward several ideas to give banks, building societies and local stockbrokers throughout the country an incentive to build up distribution networks aimed at the small investor.

The Treasury has called for ideas from financial institutions to be sent to it by May 19.

If such a network of "share shops" can be put in place in time for the sale, the privatisation will have a very different character from previous government flotations.

Warburg wants to attract a new type of individual investor. Unlike typical former investors in the flotations, the new type will intend to keep his shares for a long time after the flotation. Former investors have tended to sell their shares swiftly to make a profit.

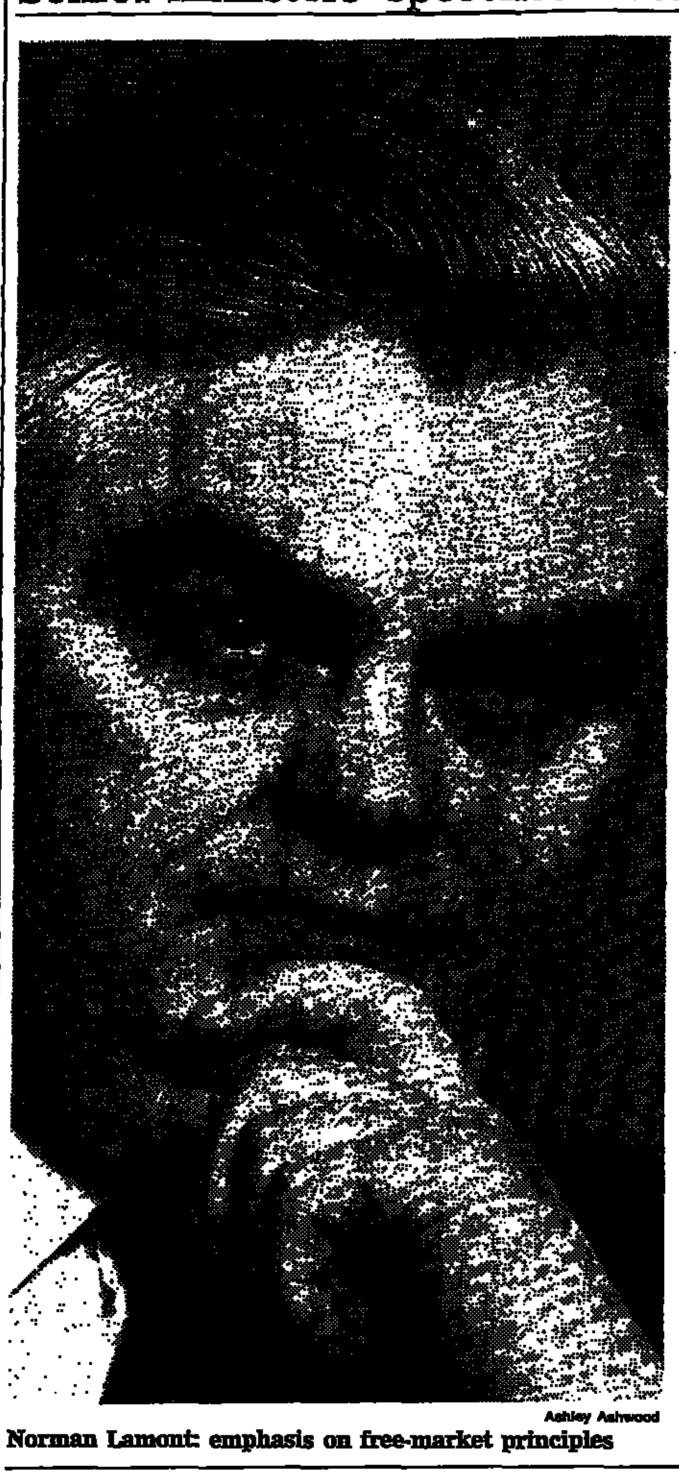
One way of making banks and building societies more "user friendly" is to encourage them to debit potential BT shareholders' accounts directly, relieving investors of the trouble of having to write a cheque.

Although some advertising will be needed initially, a large part of the funds used in promoting past privatisations could pay the banks and building societies US-style commissions of about 2.5 per cent, instead of the normal 0.37 per cent fee.

Banks and building societies will consequently have to offer their staff selling the shares better commissions than in the past.

The government also hopes to be able to persuade retail brokers in various UK cities to use their networks to sell the shares.

Senior ministers' speeches reveal tensions at top of Tory party



Ashley Ashwood

Norman Lamont: emphasis on free-market principles

Lamont makes strong defence of Thatcherism

By Philip Stephens, Political Editor

A STRONG defence of Mr John Major's "Thatcherite" credentials by two of his most senior ministers underlined yesterday the tensions within the Conservative party about its platform for the general election.

At the end of a week which saw a cabinet committee agree to abandon the basic principle behind the poll tax, Mr Norman Lamont, the chancellor, declared that the central tenets of Mrs Margaret Thatcher's philosophy remained in place.

In a warning shot to colleagues – notably Mr Chris Patten, the party chairman – who have been pressing for a more "caring" image, Mr Lamont pledged to push ahead with privatisation and to keep a tight grip on public spending.

His sentiments, echoed by Mr Kenneth Baker, the home secretary, reinforced the view at Westminster that the Tories have yet to resolve the identity crisis which followed Mrs Thatcher's departure.

It confirmed also the suspicion of insiders that Mr Major is still trying to strike a delicate balance between broadening the government's appeal to the electorate and mollifying restless MPs and activists on the Tory right.

The emphasis of Mr Lamont's speech to the right-wing Adam Smith institute was heavily biased towards the free-market principles behind the government's approach. He reiterated the commitment to better public services but made clear that the "social market" philosophy being promoted by Mr Patten would not involve a reversal of pledges to cut taxes and hold down public spending. There could be no "blank cheque" for health care or other public services.

Labour defends industry with attack on City .... Page 4

Mr Lamont stressed that market mechanisms were inherently "fair" and not, as many sought to argue, "harsh, impersonal or uncaring". The government had a responsibility in areas such as health and education, but its role was often more effective when it acted as a regulator rather than a direct provider.

Mr Baker adopted a similar theme in an address to his local party which bluntly rejected any notion that the Conservatives had shifted towards the "middle ground" of politics. He pledged a "resolute commitment to the continuity of the Conservative ideas and policies which we have followed since 1979 . . . We are not seeking a repudiation of the Thatcher years."

As the campaign for next month's local elections intensified, Mr Major used a speech in Birmingham to reinforce the Tory claim that whatever the system of local taxation, charges in Labour authorities would be higher. Labour leaders, however, claimed that Mr Major was still "dithering".

● Mr Patrick Robertson, secretary of the Bruges Group, offered yesterday to resign following the political furore over the anti-federalist group's attack on Mr Major's leadership. His offer will be discussed by the organisation's full council later this month.

German coalition effort on economy

By David Goodhart in Bonn

GOVERNMENT and opposition in Germany are to co-operate in tackling the growing economic problems in east Germany under an agreement reached yesterday.

The decision to set up two joint commissions is a further sign of the crisis mood surrounding unity. But it is not a step towards a "grand coalition", which was specifically ruled out by both sides yesterday.

As the co-operation plan was being drawn up, Mr Kurt Biedenkopf, the Christian Democrat premier of the state of Saxony, said further tax increases would be needed.

He warned that continued "enormous transfers" from west to east Germany would be needed for a decade, with about DM170bn (£56.8bn) required for next year alone.

Mr Biedenkopf, introducing a report from a Bonn think-tank which he used to head, said that even with 9 per cent annual GNP growth in east Germany between 1994 and 2000, the per capita GNP would still be half of west Germany's by the end of the century.

The IWG think-tank estimates that east German GNP has fallen by 20 per cent since 1989. But average income in east Germany has been raised from 25 per cent to 45 per cent of the west German average due to transfers from west Germany. "In other words almost half of east German purchasing power takes the form of transfers from west Germany," said Mr Biedenkopf.

At yesterday's meeting between Chancellor Helmut Kohl and Mr Hans-Jochen Vogel, the opposition Social Democrat leader, it was agreed to set up one working party on clearing legal and administrative obstacles to new investment and a second on stemming unemployment.

The government's recent economic strategy towards east Germany has already borrowed heavily from SPD proposals. But the opposition does not want to be drawn further into sharing responsibility for east Germany's problems without being able to exercise real power.

A test of how far the new co-operation will extend could come over the issue of abolishing local property and business taxes which has already been agreed by the centre-right coalition but which the SPD strongly opposes.

Mr Dieter Vogel, the government spokesman, said the talks were "sensible and constructive".

Brussels imposes strict conditions on merger

By Andrew Hill in Brussels and Peter Bruce in Madrid

STRICT CONDITIONS were imposed by the European Commission yesterday on a link-up between French and Italian producers of telecommunications equipment.

In a further indication of its tough application of new European Community merger controls, the commission also overruled a German request to examine the planned merger of two German battery-makers under national competition laws.

Concluding its first full inquiry under the six-month-old EC merger regulations, the commission approved the merger between Alcatel, part of Alcatel-Alsthom of France, and Telettra, a Fiat subsidiary, even though the combined group will command 80 per cent of the Spanish market for transmission equipment.

Alcatel and Fiat said the deal would take effect from Monday.

However, approval is conditional on Telefonica, the Spanish telephone monopoly, selling to Alcatel its two most important industrial investments: 21.14 per cent of Alcatel Standard Electrica, its main supplier of switching equipment, and 10 per cent of Telettra Espanola, its biggest transmission equipment supplier.

The stakes are valued at Pta4.4bn (£24m) in Telefonica's books but the group is certain to want more for them.

The commission believes continued investment in Alcatel-Telettra by Telefonica might discourage competition in the Spanish market.

Telefonica is understood to have told Brussels it no longer has any strategic reason to keep the stakes and Alcatel is legally bound to buy them. Telefonica also has to complete the Pta21bn sale to Alcatel of 10 per cent stake of Telettra, agreed in December.

Separately, the commission announced a full investigation into the proposed car battery merger between Germany's Robert Bosch and Varta, which it believes could give them a large share of the replacement market for starter batteries in Germany and Spain.

The German government, using a clause inserted into the merger regulations at its own request last year, had asked if it could handle the Bosch-Varta case itself. However, the commission refused to relinquish control of the inquiry.

In the Telettra-Alcatel case, the commission won assurances from Telefonica, 34 per cent of which is owned by the state, that it would stop giving preference to Spanish-based manufacturers when awarding contracts.

A new transmission equipment supplier, possibly Northern Telecom, will be added before the summer.

The assurances pre-empt EC requirements to open up public procurement, which come into force in Spain from 1996.

Telefonica is already widening its switchgear sources, and brought in AT&T Network Systems last year, to the annoyance of Alcatel.

The Telettra-Alcatel case is one of two in-depth EC inquiries into the link between Fiat and Alcatel-Alsthom.

The commission has to report on the second inquiry – into the deal's implications for the French battery market – before May 29.

CHIEF PRICE CHANGES YESTERDAY

FRANKFURT (Dm)

Rises			
DLW	648	+	8
Douglas Hldgs	770	+	20
Lahmeyer	997	+	22
Leifheit	753	+	24
Sud Chemie	828	+	23
Falls			
Springer Axel	712	–	8

NEW YORK ($)

Rises			
Biospherics	22¼	+	5¼
USX	33⅜	+	⅜
Falls			
Apple	71½	–	½
IBM	106⅞	–	1⅝
Microsoft	106½	–	½
Sun Micro	34⅞	–	⅛

New York prices as at 12.30pm.

PARIS (FFrs)

Rises			
Eurocom	910	+	6
La Henin	576	+	8
Falls			
Chargeurs	786	–	9
EBF	784	–	11
SILIC	673	–	9
UAP	572	–	17

TOKYO (Yen)

Rises			
Nikken Chemical	1010	+	107
Nippon Chemiph	1760	+	210
Sailor Pen	1670	+	170
Falls			
Fuji Kisen	1240	–	70
Gajoen Kanko	945	–	52
Nichimo	1290	–	120

LONDON (Pence)

Rises			
Amber Day	89½	+	5
Brit Borneo	678	+	30
BP	349	+	7½
Hambros	277	+	10
Liberty Ord	575	+	100
Liberty N/V	375	+	122
Micro Focus	1653	+	130
Rosehaugh	71	+	5
Sanderson M.E.	405	+	25
Stand Chartd.	406	+	18
Stanhope Prop.	85	+	6
Swallowfield	170	+	17
TACE	159	+	8
TIP Europe	72	+	6
Tyndall Hdgs	60	+	10
Falls			
B Wehmiller	234	–	10
Diploma	247	–	11
Ensor	40	–	5
Goodhead	32	–	6
Granada	196	–	7
Sema	373	–	12

Base rate cut

Continued from Page 1

further reduction in base rates to 11 per cent later this year, both the government and financial markets appeared ready for a pause in the reduction of borrowing costs.

Mr John Maples, economic secretary to the Treasury, expressed confidence that the government would bring retail price inflation down to its target of 4 per cent by the end of the year. However, both the Treasury and the Bank of England are known to be concerned about underlying inflationary pressures in the economy.

The authorities now need time to assess the impact of recent interest rate cuts on the economy. International conditions have also been unusually favourable and it is far from certain that the present combination of a stronger dollar and weak D-mark which have helped buoy sterling will persist.

The domestic money market yesterday reflected the mood of caution with the key three months interbank rate closing around 11¾ per cent, only slightly below the new base rate level.

WORLDWIDE WEATHER

UK today: Everywhere will start misty except north and west Scotland and Northern Ireland, which will be dry and sunny. Central and south-eastern parts of England will become clear. Rain in Wales, the west and north of England and south-east Scotland will gradually fade. Outlook: Dry and sunny, then rain and cloud.

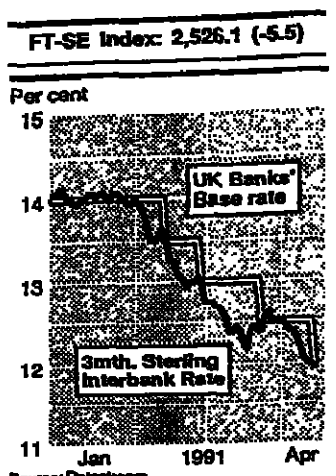
		°C	°F
Ajaccio	F	17	63
Algiers	S	19	66
Amsterdam	S	20	68
Athens	F	17	63
Bahrain	S	24	75
Barcelona	F	16	61
Belfast	R	6	43
Belgrade	F	16	61
Berlin	S	17	63
Biarritz	C	14	57
Birmingham	F	15	59
Blackpool	C	15	59
Bombay	S	32	90
Bordeaux	R	16	61
Boulogne	F	22	72
Bristol	F	15	59
Brussels	S	21	70
Buenos Aires		–	–
Budapest	C	16	61
Cairo	S	24	75
Cape Town	S	27	81
Cardiff	C	11	52
Chicago †	R	3	37
Cologne	S	20	68
Copenhagen	S	14	57
Corfu	F	16	61
Dallas †		–	–
Dublin	R	6	43
Dubrovnik	C	16	61
Edinburgh	R	7	45
Faro	S	19	66
Florence	F	17	63
Frankfurt	S	18	64
Geneva	S	19	66
Gibraltar	F	18	64
Glasgow	R	8	46
Guernsey	F	10	50
Helsinki	S	14	57
Hong Kong	S	29	84
Innsbruck	S	17	63
Inverness	R	8	46
Isle of Man	R	8	46
Istanbul	F	12	54
Jersey	C	12	54
Johannesburg	F	21	70
Las Palmas	S	19	66
Leeds	F	15	59
Lisbon	F	19	66
Locarno	C	16	61
London	S	19	66
Los Angeles †	S	15	59
Luxembourg	S	18	64
Madeira	S	20	68
Madrid	F	19	66
Majorca	S	17	63
Malaga	F	17	63
Malta	S	17	63
Manchester	F	15	59
Melbourne	C	24	75
Mexico City		–	–
Miami †	R	24	75
Milan	F	16	61
Montreal †	S	-1	30
Moscow	S	15	59
Munich	S	16	61
Nairobi		–	–
Naples	C	12	54
Nassau		–	–
Newcastle	C	14	57
New Delhi	S	32	90
New York †	S	4	39
Nice	S	17	63
Nicosia	S	19	66
Oporto	R	12	54
Oslo	S	11	52
Paris	S	24	75
Peking	C	17	63
Perth	S	21	70
Prague	S	15	59
Reykjavik	F	2	36
Rhodes	F	19	66
Rio de Janeiro		–	–
Rome	F	18	64
Salzburg	S	16	61
S'Francisco †	S	8	46
Santiago		–	–
Seoul	C	22	72
Singapore	F	31	88
Stockholm	S	14	57
Strasbourg	S	18	64
Sydney	S	21	70
Tangier	S	19	66
Tel Aviv	S	19	66
Tenerife	S	21	70
Tokyo	S	17	63
Toronto †	S	-1	30
Tunis	C	16	61
Valencia	S	18	64
Venice	F	17	63
Vienna	C	13	55
Warsaw	F	17	63
Washington †	S	7	45
Wellington	F	15	59
Zurich	S	15	59

Temperatures at midday yesterday † Noon GMT temperatures C–Cloudy Dr–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sunny Sl–Sleet Sn–Snow T–Thunder

THE LEX COLUMN

The markets get their fill

FT-SE Index: 2,526.1 (-5.5)



Source: Datastream

Judging by the reaction in the markets, yesterday's cut in UK base rates is the last for quite a while. Three-month money, which stood just below 12 per cent before the cut, moved scarcely at all on the news. The June interest rate future actually rose from 11.1 per cent to 11.3 per cent. Sterling reached its highest level against the D-Mark since ERM entry. If the equity market is to move ahead, it can no longer rely on fund managers stampeding out of cash.

There are both domestic and international reasons for the likely delay. The government has secured an important objective in bringing mortgage rates down a full point in time for next month's local elections. At the same time, the outlook for inflation remains deeply perplexing. By this time next month, as the Treasury argued yesterday, the headline inflation figure should be down by a further two percentage points to not much over 6 per cent. But the rise in VAT means that the core rate, exclusive of mortgages and poll tax, which yesterday showed a fall from 7.5 per cent to 7.3 per cent, will be back over 8 per cent next month.

A more refined version of core inflation calculated by James Capel, which aims to knock out all government-dictated prices, suggests a modest downtrend from 6.5 per cent to 6.3 per cent in March and perhaps to 6.2 per cent in April. Since this measure peaked at 7 per cent as long ago as last August, progress is painfully slow. Taken with the still stubborn strength of producer price inflation at 6¼ per cent, this suggests that a prudent government should not rush its fences.

The international grounds for caution have to do with the ERM. Last year, before sterling's entry into the system, money market rates in the UK were between 6.5 per cent and 7.5 per cent higher than in Germany. The differential has since fallen steadily and now stands at a mere 2.6 per cent. The effect has been precisely that predicted by the bulls of ERM membership: as belief in sterling's commitment has grown, so its risk premium has shrunk. The risk may even be shifting to the D-Mark, which yesterday reached a fresh low within the system. At this rate, there can be little doubt of a rise in German interest rates. On this front too, the UK government has no incentive to push its luck.

For equities, all this continues to argue for a dull second quarter after the fireworks of the first. There is the continuing prospect of hefty rights issues to blunt the market's appetite. At the same time, there is no sign of cash being put back into the market by way of bids. This might seem curiously at odds with the market's conviction that economic recovery is at hand. But it looks like a reminder of the corporate sector's real state.

Heads of companies are not only obliged for the first time in a decade to concentrate on their own businesses rather than on extending their empires. They also lack the confidence to launch blind bids in the manner of the 1980s. As usual at this point in the cycle, a gap has widened between industry and the market, with the former unable to understand the latter's enthusiasm. The real surprise is that there have not been even more rights issues.

Gas

Since British Gas rudely hoisted the out-of-stock sign in its window for future gas supply last month, the role of natural gas in electricity generation has been uncertain. National Power's deal with Statoil to import gas from Norway puts it back on the map, assuming the government adopts an undogmatic attitude. The scale of the transaction emphasises the irrelevance of small players. It takes muscle to buy gas at competitive rates: National Power has now locked in enough gas to feed up to 3,000MW of capacity, or a quarter of the gas-fired output predicted for the later 1990s. PowerGen has around two-thirds as much.

These deals do British Gas an unlikely favour. The regulator will probably be less inclined to continue his pursuit of the outrageous price increase if the import principle is established and guarantees a role for large-scale gas-fired generation. In turn, the principle should allow British Gas itself further access to cheap imports. As for the generators, they will be relieved that they have filled some of the supply gaps looming in the mid-1990s.

Meanwhile, British Gas shares have been having a rather miserable year, underperforming the FT-SE by 8 per cent. One reason seems to lie with the regulator. Ofgas has long since sent British Gas its proposals on domestic pricing from 1992. If the company decides to object, its only recourse is to the lottery of the Monopolies Commission. If it agrees with the new price formula, profits growth will very likely slow. No wonder the shares are on a hefty yield premium to the market.

Small investors

The share-dealing scheme announced by Ultramar yesterday is the latest vote of no confidence in the City's long-term ability to provide a cheap mechanism for small share transactions. With the expensive Taurus settlement system still a fair way from implementation, that remains a serious shortcoming. Small brokers have been arguing for years that their client base is at a consistent disadvantage in the post-Big Bang world. Now it seems companies are starting to take the initiative in stimulating a wider investment base, implying they have largely accepted the argument.

Any large broker worth its salt knows that there is no money in the retail brokerage business, even if there is a powerful case for keeping corporate clients happy. But one is tempted to ask why, if Cazenove can produce an economic service in some of its client's shares, it is beyond the means of the investment community as a whole.

At the last count, Ultramar had 19,000 individual shareholders owning around 14 per cent of its shares. In the short term, this figure will probably fall as investors take advantage of the ability to sell small parcels of shares cheaply. The longer-term effects are harder to foresee. The companies are clearly motivated by the desire to boost their registers with supposedly loyal shareholders. A wish to blunt the institutions' appetite for corporate governance is playing the key part in the movement to bring in Sid and Frank.

Registered at the post office. Printed by St. Clements Press for and published by the Financial Times Ltd., Number One Southwark Bridge, London SE1 9HL. © The Financial Times Ltd., 1991. "FINANCIAL TIMES", "FT", "FT ORDINARY SHARE INDEX", "FT-ACTUARIES SHARE INDICES", "FT-ACTUARIES WORLD INDICES" and "FINSTAT" are all Trade Marks and Service Marks of The Financial Times Group.

Weekend FT

SECTION II

Weekend April 13/April 14 1991

Poland wakes to the day of the deal

*In Warsaw, shops are full but wallets are empty. **James Morgan** reports on the new capitalists*

THE STOCKY American at the housing conference in the Victoria Inter-continental hotel in Warsaw waves a finger at his new-found Polish partners. His cuffs gleam in the sunshine from Victory Square outside. "*At the end of all this,*" he says, "you won't like me, but you'll have made a lot of money."

In the taxi, the driver turns down the *commercial* on Radio Zet: "*Bingo, bingo, bingo gra*" – "play bingo!" Down Krucza street a new shop sign has been hung over the previous one which had merely said "Meat" or "Shoes." It now reads *U Jakubowicza* – Jakubowicz's. It doesn't click until, half-a-mile further on, you see the same sign: Jakubowicz is one of Poland's new breed of private entrepreneurs. He has filled his shops with what looks like the result of a clearance sale from a western supermarket. Outside, a rash of new street traders sell eggs and handkerchiefs, Bulgarian irons, bits of cloth, anything, from frail stalls and the backs of cars.

There are oranges and grapefruit in the shops. "Just like 1939," people say. Designer clothes appear in new boutiques that nestle next to an old shop selling lathes, gear systems for Trabants and second-hand tools. In the almost elegant Ambassador restaurant around the corner, three men and a woman chainsmoke over empty coffee cups, talking business and putting new words through the Slavonic grammatical mangle: *manadzeri, jointego ventura.*

In Poland, the day of the deal has arrived. The shops are full. The *casino at the Marriott Hotel* contains only Poles on Saturday afternoons.

Things have changed totally since *November 1989, when I was last in* Poland, though the public mood is still locked somewhere between pessimism and despair. Shops are full but *wallets empty. Ordinary people* window-shop at the rickety stalls and distrust what they see. The meat sold at the stalls has led to salmonella outbreaks. The Marlboro cartons were imported from Germany for sale in the Soviet Union but somehow 2m packs stayed in Poland and the State treasury lost 16bn zlotys.

On the other hand, 16bn zlotys is not as much as one might think: there are about 10,000 zlotys to the dollar and people deal with zeros with the familiarity of Peruvians. The rate of inflation fell to 12 per cent (for the month) in January, largely because of administered price increases, but it is taken as evidence that the government has not tamed the inflationary dragon.

The main talking point among Poles is not the Middle East, nor the bizarre performance of Lech Walesa as Polish president, nor the next elections. It is the inflation tax levied on enterprises that penalises those employers who pay anything above the indexed wage increases – a system which is designed to ensure a continuous reduction of real wages in the state sector.

Among Poles, the argument is about whether things are getting better. Academics who hardly know the country write Olympian pieces about the "failure" of the economic reform programme which started just over a year ago. The official statistics are unequivocal: prices have risen, wages have not kept pace, industrial production has fallen by 15 per cent – maybe more, maybe less – and unemployment has risen from zero to 1.5m.

Jeffrey Sachs, the Harvard-based advisor to Solidarity and now to the government, despises such views. He has a vested interest, for he disputes with Leszek Balcerowicz, the *finance minister, the authorship of* the economic stabilisation programme. Yet as Sachs rightly points out, the official production figures *reflect only the state sector; moreover*, the unemployment rate is no more than Britain's. Further, there was a surge in exports last year. *Poland earned a $4bn balance-of-*payments surplus, the foreign exchange reserves have risen, and so – in Sachs' view – the stabilisation programme is clearly a remarkable success. A zloty may be worthless but it is stable and almost convertible.

The trouble is that nothing fits together. Poland's economic success has not made people feel better, largely because most are not participating in the success – even though, as Sachs points out, the fact that nobody now has to queue for anything is itself a major contribution to higher living standards. On the other hand there is a growing number of people – for whom queuing previously guaranteed *some* goods – who find that free markets merely flaunt what they now cannot afford.

Foreigners who work and live in Poland have their own views as to what the trouble is – how a new and vigorous capitalism, a more stable economy, can co-exist with profound gloom and deep recession. Lewis Nkosi, a South African writer, has lived in Warsaw for four years – he is a fan of Joseph Conrad and has a new Polish wife. Nkosi says Warsaw today reminds him of Lusaka. "People here are just selling, producing nothing. They'll sell you their underwear, given half a chance."

Bob Locke, a professor of management at the University of Hawaii, also succumbed to the charms of Polish womanhood, and now describes what he sees as Wild West capitalism.

"I keep on telling them you can rip someone off only once. They don't understand it. As for negotiating and bargaining, forget it. Nobody stands behind their products. The Poles have been told for years what capitalism is all about and the only message that has sunk in is that exploitation and cheating are good ways of making money."

What intellectuals call the new moral dilemmas are evident at the nascent business schools. The Cracow Industrial Society operates through funding from the Rockefeller foundation and other donors in its mission to transmit the basis of capitalist success to budding businessmen. The one course for which nobody voluntarily sub*scribes is business ethics.*

Yet there is general recognition that people ought to behave better under the new system than they did *under the old. Andrzel Potocki, a* scion of an ancient aristocratic family and a member of the editorial board of the Catholic weekly, *Tygodnik Powszechny, says things* are much more complex now. "Then it was them or us. We all knew who the enemy was." His cousin Antoni says *that he has difficulty recruiting* workers for his enterprises, even though he offers double the average wage or more. "They say they can't come and work for me because they feel they can't steal from a private employer."

Many Poles only now understand the true nature of the corruption that was an essential part of the communist system. The authorities *wanted* people to cheat, lie and steal because it allowed the possibility of *locking up troublemakers on the* basis of the ordinary criminal code, rather than for clearly political offences. Today there is growing *recognition that the state is not* "theirs" any more but "ours." However, when an acquaintance went to the tax office in Warsaw to declare, *for the first time, his foreign earnings*, an official asked him why on earth he was bothering.

The present moral uncertainties *have complicated the process of pri*vatisation. The government has moved slowly on this front. Last year it pushed through the sale of *some large industrial enterprises* but only now is the system becoming regularised. It is going to be based on the sale of vouchers to the population. The vouchers will then be *transferable into shares in pri*vately-run investment trusts.

One wonders how much will be left in the pot. A *feature of the Polish revolution that distinguished* it from the revolutionary processes in the rest of eastern Europe was its slowness. The *nomenklatura* had *time to prepare its positions*; incriminating documents were shredded, the possibilities of privatisation recognised.

Poles realise that the old communists are making off with substantial assets but do not know how to deal with the gradual translation of their former masters into their new bosses. One economist describes the typical voluntary privatisation exercise in these terms: "Five million dollars in a Swiss bank account. *Ten million dollars over the* counter. Sixty million dollars of assets change hands."

Polish society is not vindictive, *but it is unforgiving. There is a* high degree of intolerance of minorities and history shows occasional bursts of violence. But while there is no tradition of violence of Pole-against-Pole, neither are there any systems for peacefully resolving social conflict. Observing the continuing malign role of old *apparatchiks*, it is hard not to feel that something is bound to explode. In the smarter provincial restaurants the same men and their families sit in the *nomenklatura* room where they still demand the same servility: the waiters are as obsequious as before. Today it is the power of money added to a continuing political hold that ensures that the communist old guard probably sleeps more securely than its counterparts elsewhere.

It is all a great shame.

Some time before the collapse of communist power, Jan Winiecki, a far-sighted economist, published a paper that advocated the buying-out of communist privileges. Winiecki always argued that the socialist system was unique in that it ensured that only the most worthless members of society reached the top. Servile incompetence was an important qualification, so it was worth almost any sum to ensure that those in power departed gracefully.

It did not happen, and many officials, not only the old ones, are quite glad. In the Warsaw ministries there is much talk of those who are sincerely prepared to make the new system work and who hold useful qualifications. The debate has some echoes of the de-nazification process in west Germany, but any purges are limited and haphazard, leaving much of the country's assets in the hands of *apparatchiks.*

As a result, it is less likely there will be great hostility to substantial foreign takeovers of Polish industry than would be the case in, say, Czechoslovakia. Indeed, it is realised that western corporations are needed precisely in order to destroy the structures the communists left behind.

Grazyna Rokicka, an executive of the Consumers' Federation, told me how she had shocked a conference for all such federations in eastern Europe that was partly sponsored by the World Heath Organisation. Her organisation said that it supported Philip Morris's move to break into the Polish tobacco industry. "Poland produces the worst cigarettes in Europe," she told the conference. "If people have to smoke, it's better they smoke Marlboro."

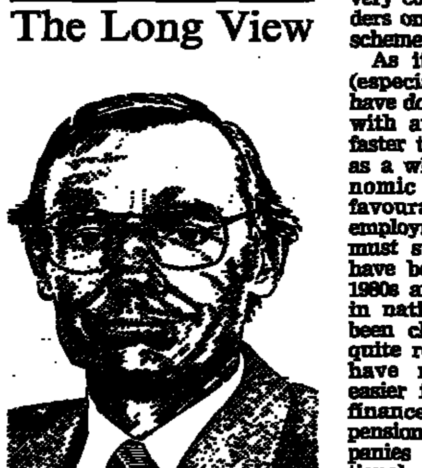
Yet her organisation is faced by an even more complex dilemma on its own doorstep. The new entrepreneurial street vendors operate in the most unregulated free market of all. They scour the warehouses of the west, buying goods well past their sell-by dates, which are incomprehensible to most Poles. The labelling of these goods comes in any language but Polish. But these are the businessmen who will be making a contribution to the new society that is being created. Confronting them challenges the roots of the revolution, yet the consumers' federation is prepared to do it.

There are already at least 50 dollar-millionaires in Poland, who pro*vide the nucleus of a new class. The bourgeoisie* feels even more fearful than the dispirited and disorganised working class. An economist in the *systems analysis* institute of the Academy of Sciences told me: "I am ashamed when I see these people abroad. They speak no foreign languages and probably don't know how to use a fork and knife."

James Morgan is Economics correspondent of the BBC World Service, He is presenting a programme on Poland in a forthcoming World Service series – "What Happened to the Revolution?"

Waiting a little longer for equality

The Long View



Unless the public wakes up to the debate over sex equality in pension schemes, a chance to encourage more flexibility in retirement ages *may be lost*

A LEARNED team of judges in the European Court of Justice laid down last year that men and women should retire at the same age from occupational pension schemes, as one consequence of equal treatment of the sexes which is required under Article 119 of the Treaty of Rome.

Employers up and down Britain are now wrestling with the consequences of that judgment: should the common age be 60 (expensive for the bosses) or 65 (money-saving, but possibly unpopular)? What seems to be missing here is any great sense of involvement in the debate by the general public. The government, too, appears to be sitting this one out. To its considerable relief the state pension scheme is governed by Article 118 (on social security benefits) rather than Article 119 (remuneration from employment) so it can continue to set the retirement age for women at 60 and for men at 65, at least for the time being.

Why do we need to lay down particular retirement ages anyway? They have more or less done away with them in the US, and in the UK great flexibility has been built into personal pension plans, where the Inland Revenue permits retirement (whatever that may mean) to be declared at any age between 50 and 75. But the state scheme is entirely inflexible and most occupational schemes also lay down fixed ages, although it is possible to negotiate early retirement terms in many cases.

For a man, 65 may indeed amount to a reasonable compromise between the ages of vigour and decrepitude, depending of course on whether he is a heavy manual worker or a pen-pusher, but the same logic cannot apply to the retirement age of 60 *for* women. After all, at that age the average female has a life expectancy of 23 years, while the wretched male retiree at 65 can only look forward to 15 more years on this earth.

One traditional argument has been that wives tend to be a few years younger than their husbands, so a 65/60 retirement pattern allows working wives to retire together with their spouses. However, the age gap is not as large on average as 5 years – and anyway, it varies with each couple. Even if coincident retirement is regarded as a desirable thing, surely flexibility would be a better answer than a rigid formula.

But one man's flexibility is another man's uncertainty. One important reason why employers run company pension schemes, especially the kind which are based on *final* salaries, is that they offer incentives for employees to stay on (or, putting it the other way around, they *penalise* leavers). Employers fear that if these penalties did not exist their best employees would tend to leave early, *when they* were still young enough to pursue alternative careers for a few years. The dull plodders, who were unemployable elsewhere, would remain on the payroll. Companies prefer that *the flexibility* should be theirs, with the ability to use pension schemes, through selective early retirement packages, to ease out unwanted workers early, while locking in the productive high-fliers.

But there are important macroeconomic arguments about retirement ages too, which the government needs to be be very concerned with as it ponders on the future of the state scheme.

As it happens, pensioners (especially the richer ones) *have done well in recent years*, with average incomes rising faster than for the population as a whole. The relevant economic trends have been favourable; the numbers in employment in the UK (who must support the pensioners) have been rising through the 1980s and the share of profits in national income has also been climbing (at least until quite recently). These trends have respectively made it easier for the government to finance pay-as-you-go state pensions and cheaper for companies to run funded occupational pension schemes.

It is when there are more and more pensioners but fewer and fewer workers to sustain them that trouble must *develop. The over-sixties represent* an officially-estimated 20.7 per cent of the British population at present, with actually a *projected slight fall to 20.3 per* cent by 2001.

But we could have a problem by 2031, when the proportion *will be 27 per cent. By then it* might take a rise of 4 or 5 years in average retirement age to hold the proportion of *pensioners to its present level;* alternatively, presumably, incomes of pensioners could be cut.

In fact other countries in Europe such as Germany and France face much more immediate demographic difficulties *on this score, and Japan has* been obsessed for years with the consequences of the ageing of its population.

A decision to cut pensions or raise the retirement age is one that no politician would want to face up to, although the private sector can do it more flexibly, as in the late 1970s when occupational schemes slashed real pensions sharply by failing to keep up with rapid inflation. As for the retirement age, quite a few schemes are beginning to raise the female age to 65. One justification being used is that the 1980s growth of the workforce in the UK is coming to an end, thus justifying a lengthening of the working life. But this argument contrasts oddly with the current sharp increase in unemployment, and poses the question of whether the cost savings involved in the postponement of female retirement just might be influencing these decisions of employers.

*Behind these rather imper*sonal arguments, however, can hide a lot of human distress: of people who are forced to work *longer than they wished*, and on the other hand of people thrown out on to what they might regard as a human scra*pheap while they still consider* themselves to be fit, active and capable.

Ironically, it is the women who were *originally supposed* to be protected by Article 119 who are likely to be the main victims of equalisation of pen*sion scheme benefits;* it is males who will be queuing up at industrial tribunals to seek redress for unfairness. Equality can be a *double-edged* sword.

CONTENTS

FINANCE AND THE FAMILY

LONDON MARKETS

Base rate cut greeted with a yawn

THE LONDON stock market's optimism is on a rather tighter leash than it was only a few weeks ago. On Friday, the annual rise in the retail price index slowed from 8.9 per cent to 8.2 per cent and John Major, the Prime Minister, said the government had got inflation "by the throat". That news was accompanied by another half-percentage point cut in base rates, to 12 per cent.

The market responded to the news with the statistical equivalent of a yawn. The FT-SE index closed the day down 5.5 points at 2526.1, a loss of 19.2 on the week.

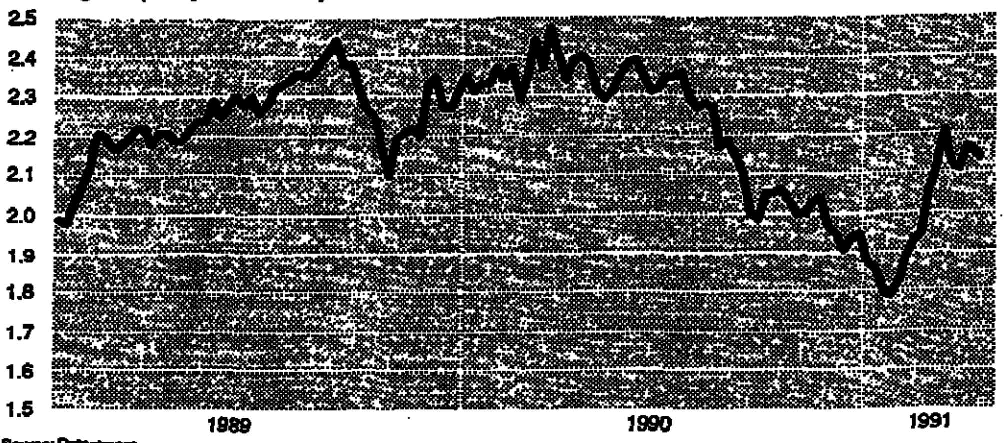
Sentiment appeared to be undergoing one of those periodic shifts, from revelling in the prospective arrival of a gift horse – in the shape of better economic times ahead – to preparing to inspect its teeth.

With share prices at around 13 times last year's earnings, London does not look outlandishly expensive – especially when compared to the 18+ multiple at which the US market is selling. But, as Robert Semple of Country NatWest points out, this year's weak profits mean that the historical price-earnings ratio of 13 is a prospective p/e ratio of 13 too – which does not look like quite such comfortable value.

Against this background, institutional investors will face a series of requests for cash – for rights issues, privatisation sales and new issues of gilts – over the rest of the year and

Yield ratio

FT–A High-coupons yield divided by the FT–A All–Share Dividend yield



Source: Datastream

equities will no longer have their undivided attention. Indeed, as reported in a Smith New Court/Gallup survey on Monday, portfolio mangers are already starting to shift their interest away from the UK equity market. Only 19 per cent expect to increase their holdings of UK equities over the next three months, compared with 32 per cent in March and 54 per cent in December 1990.

In short, the mood of the London stock market bears an implausible similarity to conditions in Zagreb, Yugoslavia, as described by a recent visitor: sunny spring weather; mingled optimism and foreboding; and above all the ubiquitous presence of Robert Maxwell, in spirit if not in body.

In Zagreb, Maxwell beams from the noticeboard of the main hotel; his name is constantly on the lips of local journalists; and his second coming (to negotiate investments in local papers and television) is confidently awaited.

In London, Maxwell is similarly an immanent presence: preparing to stand down in July as chairman of Maxwell Communication Corporation; announcing a satellite joint venture with France Telecom; and due next week to announce details of the flotation of his privately-owned Mirror Group Newspapers.

Maxwell's name has scarcely been out of the stock market reports, either. MCC's share price was the best performer among FT-SE stocks for two days in a row, helping it to a rise of more than 60 per cent compared with the publishing and printing sector as a whole since the end of the Gulf War in late February.

Goldman Sachs, the US investment house, has been a constant buyer throughout much of the past week. On February 27, MCC shares were selling at 139p; this week they were trading in the 220s, the highest point since just before fighting started in the Gulf.

In the past, Maxwell has twice sold put options on MCC shares, to unspecified financial institutions. In at least one case, Goldman Sachs was thought to be the buyer of the option. The effect of the transactions would have been to give the option holder an incentive to buy MCC shares at prices below the figure specified in the option (less the cost of the option itself) or to hold on to shares it already owned.

Maxwell – whose family interests own 68 per cent of MCC – said yesterday that he currently has no option arrangement in place and that he was barred from buying MCC shares himself. Goldman Sachs's current buying, he said, was on behalf of US investors made aware of MCC's virtues by Maxwell's recent purchase of the New York Daily News.

MCC closed on Friday at 225p, up 41 points or 22 per cent on the week. If Maxwell's advisers are planning to set the Mirror's share price in relation to the yield on MCC, they can raise their expectations several notches. The yield on MCC's ordinary shares has dropped from 14 per cent in February to 9 per cent now.

Maxwell was not the week's only ubiquitous presence. Hovering in the background, as far as many traders were concerned, were the spectral figures of BTR and Hanson, from one of whom a bid for a FT-SE company is keenly anticipated.

Potential targets were thought to be Pilkington (in which BTR still holds a stake as a result of its unsuccessful bid in 1986) and Hawker Siddeley. Pilkington's shares rose 10p on the week, to close at 199p; Hawker's rose 36p to close at 607p. BTR's shares fell 14p on the week, closing at 404p.

There was particularly heavy volume in Hanson shares, as traders reacted to the possibility that the company might finance any bid with paper rather than cash. Hanson closed the week at 220p, down 17p.

Glaxo shares also saw heavy trading, sparked by the news that Zantac, the company's most important drug, might have to face generic rivals rather earlier than had been expected. At one point on Tuesday the shares dropped 50p, but they recovered slightly on US buying to close the day at 1078p, down 36p. On the week, they fell 37p, to 1088p.

Glaxo's shares fell on bad news; Smiths Industries, the instrument maker, fell on good news. It announced unchanged interim on Wednesday, a more than respectable result in difficult economic times, coupled with a breakthrough in transferring its military technology to civil markets, with an order from Boeing for a new avionics system which could ultimately be worth more than $700m.

The stock market greeted this cornucopia of good news with a marked lack of enthusiasm. Smiths' shares closed the week down 12p, at 274p. Investors appeared more concerned at the potential cost of tooling up for the new market than excited by the prospect of profits. It was that sort of a week.

Peter Martin

HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1991 High	1991 Low	
FT-SE 100 Index	2526.1	-19.2	2545.3	2054.8	Profit-taking after market peaks
ADT	84	+14	121	64	Compromise proposed in Laidlaw row
Avon Rubber	265	-25	302	214	Michelin loss unsettles sentiment
Century Oil	144	+19	144	82	Increased bid from Fuchs
Enterprise	551	-22	618	495	Elf stake placing fears
Glaxo	1088	-37	1148	800	Law suit over Zantac patent
Hanson	220	-17	249½	179	New accounting standards proposed
Hawker Siddeley	607	+36	624	417	Bid speculation resurfaces
Laird Group	250	+20	251	154	Buy recommend'ns after annual figs
MB-Caradon	225	+20	226	150	Impressive results/positive statement
Maxwell Comm	225	+41	228	132	US buying ahead of Mirror float
Pilkington	199	+10	203	164	Revived speculation of bid from BTR
Sanderson M E	405	+50	405	202	Dealership acquisition/rights issue
Stanhope Props	85	-9	128	73	Poor interims
Wardle Storeys	294	-26	325	204	Sell advice after trading warning

SERIOUS MONEY

Safety first: the rule for the worst of times

By Philip Coggan, Personal Finance Editor

THERE ARE times when private investors must feel that the world is conspiring against them.

Where should they put their money at the moment? One could make a good case against the prospects for almost any kind of investment.

Base rates are falling and the return available from building societies will decline at least as quickly, possibly faster.

Equities have already had a good run this year and now seem to have discounted not only the end of the Gulf War and the prospects for a 1991 economic recovery, but also the re-election of a Conservative government and probably an England victory in the 1994 World Cup.

Bonds traditionally do well when interest rates are falling. But for the last few years UK bond yields have been kept relatively low by the government's ability to repay gilts out of its budget surplus.

Now the deficit has returned and gilts are being issued in abundance. With so many gilts to absorb, it is hard to see the price of gilts rising (and therefore the yield falling). In other words, the yield curve is likely to flatten, with short term rates falling back to long term levels. So interest rate cuts may do little this time for gilt investors.

What about index-linked investments? The headline rate of inflation – the Retail Prices Index – is certain to fall as mortgage rates decline. Admittedly the underlying rate, which excludes the poll tax and mortgage payments, could easily rise. But it is the RPI to which most indexed investments are linked and thus the return on such investments is set to fall.

There is little to encourage the private investor in the world of real assets. The art market is suffering a hangover from the excesses of the 1980s. The gold price is flat on its back – not even a war was able to revive it. Residential property prices may never again enjoy the boom times of the 1980s – certainly not if the chancellor or the governor of the Bank of England have anything to do with it. Commercial property faces an extended period of indigestion caused by oversupply.

In short, none of the important asset categories looks, at first sight, terribly enticing. The private investor in search of profit must instead look for the illogicalities in the system.

Although the government says that it wants people to save, it puts plenty of obstacles in their way. The tax system does little to encourage John Major's dream of a classless society.

Income can essentially come from only two sources: it can

> 'One could make a good case against the prospects for almost any kind of investment'

be earned or it can be inherited. A true meritocracy would penalise inherited wealth heavily. Instead, one can inherit £140,000 tax-free; and a clever accountant can make inheritance tax almost voluntary.

Earned income is taxed after an allowance of just £3,295 for a single person. The individual then has a choice between spending the remainder or saving it – that is, postponing consumption to some future date. But interest earned on saved income is taxed in full, even though a large element of the return simply compensates the investor for inflation.

This means that individuals who save are subject to double taxation. Saving can thus reduce the individual's spending power, since the after-tax return that investors receive can often be negative in real terms.

Small wonder that Britons went on a spending binge in the 1980s and that when the government wants to encourage savings, it has to set up loopholes in the tax regime.

Investors' minds may boggle at the logic but they might as well buckle down and live with the system. The first essential is thus to organise tax affairs efficiently. Married couples should put their savings in the name of whichever pays the lower rate of tax.

A Tessa (Tax Exempt Special Savings Scheme) is vital. Given the attractive Tessa rates on offer, a higher rate taxpayer can easily earn double the return available on a building society account.

Personal Equity Plans (PEPs) are also tax-free but given the current level of equity markets, it is hard to imagine there will not be better times in the current tax year to invest in a PEP.

National savings products also offer tax-free returns. As already argued, the expected fall in inflation might make the index-linked certificates, which pay RPI plus 4.5 per cent, seem unattractive. But if inflation averages 5 per cent over the next five years, the return on the certificates will be 9.5 per cent. The higher rate taxpayer would have to earn a gross return of 15.83 per cent on an alternative investment to match it.

Those who believe inflation will average less than 4 per cent over the next five years should opt for the 8.5 per cent fixed if they are a higher rate taxpayer and the 11.5 per cent Capital Bonds (8.64 per cent net) if they pay tax at the lower rate.

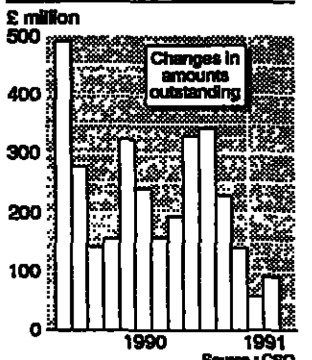
Another loophole to exploit is that husband and wife can each earn £5,000 of capital gains tax-free. Investments which provide the bulk of the return in terms of capital are thus advantageous. Two good examples are index-linked gilts and the zero dividend preference shares of split capital investment trusts.

These suggestions may not make investors seriously rich. But safety and tax efficiency may well be the investment order of the day for the next year or so.

AT A GLANCE

Consumer credit

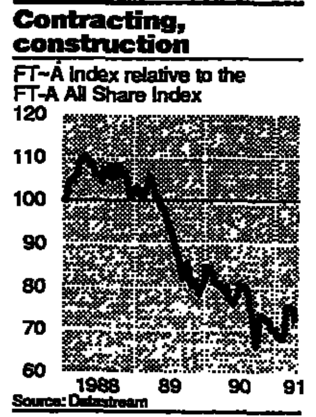
£ million



Source: CSO

Contracting, construction

FT–A Index relative to the FT-A All Share Index



Source: Datastream

New credit figures 'stagnant'

Figures showing that new credit was stagnant during February may have been one factor in the move to cut interest rates. Fears that the base rate cut of that month would unleash a new inflationary bout of spending were much reduced following the news. In February, £3.6bn of new credit was advanced to consumers, down from £3.9bn in January and the smallest monthly advance for 18 months. Net credit growth, indicating the amount unpaid on lending agreements with credit cards and bank, building society and finance house lending agreements, was only £98m. Its peak, only six months ago, was £342m. *John Authers*

Construction sector hopes for rally

Hopes of a rally in the construction sector have certainly been exploited by the finance directors of building companies, who have launched a series of right issues. The latest to do so was John Mowlem, which this week launched a £45m issue. News is still awaited on most of the issues but the general buoyancy of the stock market looks like helping them get away safely. *Philip Coggan*

Surge in BES property schemes

Tax shelter property investment schemes have had their best year since the 1988 reform of top-rate tax, despite the recession. The total taken by Business Expansion Scheme (BES) companies and by Enterprise Zone Trusts (EZTs) was £405m. The controversial "growth assured" schemes gobbled up 75 per cent of the market and accounted for much of the renewed investor confidence in the BES. Total BES business increased from £165m in 1989-90 to £255m in 1990-91. Stephen Bantoft, analyst with Allenbridge, the independent consultancy which produced the figures, said the slump in property values had led many to decide that there was a buyers' market. Business in trading companies, which can only raise £750,000 via the BES (compared to £5m for assured tenancies) was poor, making up only 4 per cent of all BES business. *J A*

Revenue gets it right . . .

The Inland Revenue has published a booklet (IR111) called *How to claim a repayment of tax on bank and building society interest*. Many non-taxpayers have failed to register as such with building societies and banks. This means that in spite of the abolition of composite rate tax from the start of the current fiscal year, they will still have tax deducted from interest earned on their savings accounts.

They can reclaim tax already repaid by using from IR111. However, people can still register as non-taxpayers by completing form R85; both are available from banks, building societies and Post Offices. The Revenue has also set the "official rate" of interest at 13.5 per cent. Those who receive cheap mortgages from their employers will be taxed on the difference between the rate they pay and this official rate, which will change in line with typical mortgage rates. *Philip Coggan*

. . . and wrong

A tale to reassure you as you fill in your tax return – even the Inland Revenue made a mistake, in the accompanying notes for 1991-92 tax returns. The Revenue has now announced the error, which affects the under-65 husbands of over-65 wives. Under independent taxation, a married man's personal allowance depends on his age, while the married couple's allowance is linked to the age of the older spouse. Before 1990-91, the allowance due to the husband depended on the age of the older spouse. Married men under 65 are therefore entitled to a special personal allowance, although the tax return does not mention it. The Revenue said it would try to ensure that everyone affected receives the allowance, even if they did not claim it. *J A*

WALL STREET

Shadows linger in summer sun

SUMMER descended on Wall Street last weekend. The sun came out. The baseball started. And, on Monday at least, a fair number of traders appeared to have decamped to Shea Stadium, to watch the New York Mets begin with a win. Trading volumes fell to their lightest level since mid-January.

This cheery climate, however, failed fully to permeate the trading floor. Essentially, the stock market has two concerns at present. One is the thorny question of how quickly interest rates are going to fall. The other is the matter of what the current corporate reporting season will say about the state of the economy and the pace at which recession is receding.

On the former score – in spite of two sets of inflation data last week – the picture is still clouded. On Thursday, the market learnt that producer prices were down by 0.3 per cent in March, the fourth successive monthly drop. Moreover, the "core" rate (excluding food and energy) rose by only 0.2 per cent, well below the January and February figures.

On Friday, the consumer price index showed a 0.1 per cent decline, the first monthly fall since 1986. In both cases, the statistics were at the more optimistic end of pundits' expectations.

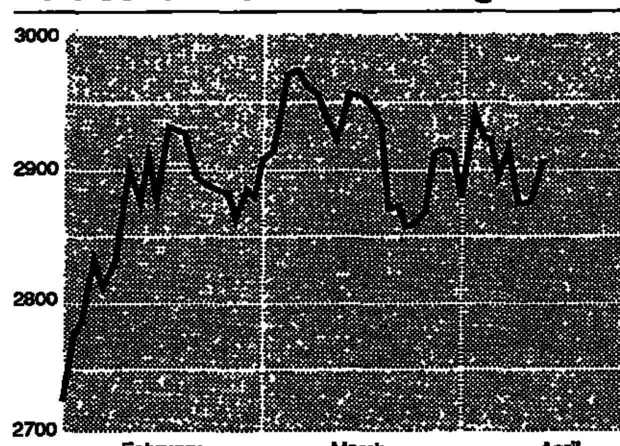
This, coupled with extremely poor employment

The J P Morgan chairman Sir Dennis Weatherstone: bank's figures cheered Wall Street

figures recently, led the market to hope that interest rates would ease again. On Thursday, for example, the Dow Jones Industrial Average ended over 30 points higher, having twice posted gains of over 40 points during the day. On Friday, the index started out with another 15-point gain, but eased in the morning session as the market sensed further inaction by the Federal Reserve.

Not surprisingly, this lack of

Dow Jones Industrial Averages



interest rate action is being given a strong political spin. There has been much talk recently of divisions between some of the "hawkish" presidents of the 12 regional federal reserve banks – who put control of inflation as a top priority – and Alan Greenspan, the Fed's chairman. As a result, Wall Street speculated on Friday, the Fed may wish to see the latest data digested before acting. That might ensure that its actions appear decisive and uncontroversial. Accordingly, then, the market waits.

In the meantime, traders have an equally ambiguous display of corporate profits to mull over. The problem with the current reporting season is that it refers to trading in the first quarter of the year, when the Gulf War was under way and the economic environment disrupted. Yet what the market really wants to know is

Federal Reserve chairman *Alan Greenspan: keeping the market guessing*

how businesses are shaping up in the post-Gulf climate.

True, it has received a few pointers. On Thursday, for example, J P Morgan, the fourth largest US bank headed by Sir Dennis Weatherstone, posted first quarter profits of $273m. This was almost two-thirds higher than in the same period of 1990, once one-off items were excluded.

To an extent, J P Morgan is exceptional, having sidestepped the disastrous property loan exposure that has undermined other banking groups. But its figures at least suggested that the cloud of gloom surrounding the financial sector may be lifting. Securities houses, for example, are expected to show a rebound in 1991, thanks to the current bullish market conditions. J P Morgan's own shares gained $3 at $50⅞ on the news.

Profit figures a day later from IBM brought a less happy response. Some analysts appeared to be shaving expectations of the rest of the year, as the computer giant reported a worse-than-expected drop in hardware sales. The company remained coy about full-year prospects, saying only that it expected economic conditions overall to improve. Its shares eased $1⅞ at $108⅜.

In sectors directly affected by the Gulf crisis, on the other hand, results were just horrible. Both Hilton Hotels and Marriott, for example, saw first quarter profits more than halved as hotel occupancy rates fell. Large airline companies, such as United and American, have already warned about first quarter losses.

The sun may be out, but so are the shadows.

Monday	2918.56	+ 21.78
Tuesday	2873.02	– 45.54
Wednesday	2874.50	+ 1.48
Thursday	2905.45	+ 30.95

Nikki Tait

THE BOTTOM LINE

Double boost for smaller companies sector

AN INVESTOR with money in a smaller companies unit trust over 1989 and 1990 had a pretty bleak time. Smaller companies underperformed the FT-A All-Share Index; and picking a small stock fund manager was a choice between bad and worse.

This year, smaller companies have rallied and there have been two positive developments for those investors who want to back smaller companies via the unit trust route.

The first is that the Unit Trust Association has separated the smaller companies funds from the UK Growth sector in which they were previously lumped. Funds qualify by having 80 per cent of their funds in the Hoare Govett Smaller Companies (Extended) Index. Investors can now compare like-with-like.

The best performer over the three years to April 1 was Royal Life's UK Emerging Companies fund which rose by 21.3 per cent (offer-to-bid with income reinvested). Over five, seven and ten years, the best performer was Govett UK Smaller Companies with growth rates of 108.3 per cent, 224.7 per cent and 585.9 per cent respectively.

There was a wide variation in performance. The worst performer over three years was Brown Shipley Smaller Companies, which fell by 36.7 per cent. There were two funds which lost money over five years, the worst being Allied Dunbar Second Small Companies which fell by 14.3 per cent. The same fund was the worst performer over seven and ten years, with increases of just 10.5 per cent and 94.9 per cent respectively.

On average, smaller companies funds trailed UK Growth funds over three, five, seven and ten years, although over the longest period, the differential – growth of 321.6 per cent against 281.2 per cent – was not that great.

But strict growth comparisons of this kind are still fairly crude and can be heavily influenced by the starting date. Unit trust investment only makes sense over the longer term which is why the one year (and even one month!) performance figures often quoted are so dangerously misleading. Even a ten-year performance record, however, can be heavily influenced by one good burst several years ago. The fund managers who produced the outperformance may since have moved on, leaving a less competent manager in charge.

In the US, the analysis of mutual funds is done in a much more sophisticated fashion. Performance is analysed, on a rolling one-year basis (January to January, February to February and so on). This allows the investor to measure the consistency of a fund and pick one that has been in the top 25 per cent of performers over, say, 26 of the last 48 rolling one year periods.

In Britain, the company which has set the standard for improved unit trust analysis is Fund Research. The second positive development for smaller companies is that Fund Research has produced a report on the sector.

The group, led by Richard Timberlake and Peter Jeffreys, uses both quantitative and qualitative criteria to assess the funds. Only the funds with the best performance records get to be studied at all; the qualitative view assesses "the management group, its resources, culture, stability, organisation and philosophy as well as the individual fund manager, his relevant experience, other responsibilities, research approach and broad investment style."

Small cos indices

		% chg on wk
CSCI#	1007.1	-0.4
HGSC*	1235.69	-0.2

April 10 * April 11 Capital gains version

The highest rated funds studied by Fund Research were Buckmaster Smaller Companies, Govett UK Smaller Companies and S&P UK Smaller Companies Growth Fund. The Buckmaster fund chooses stocks with a market capitalisation of up to £210m with most between £75m to £100m.

Managed by William Mott, the fund is currently "looking for specialised manufacturing companies with an international bias and a successful product range." Specific companies are chosen with a view to quality management, a strong balance sheet, positive cashflow and visible future earnings.

In the five March-to-March annual periods between 1986 and 1991, the Buckmaster fund outperformed both the sector average and the Hoare Govett Smaller Companies Index in each period.

Govett's fund, run by Thomas Walford, operates a bottom-up style concentrating on stock selection, although the managers try not to bias the trust too heavily towards certain sectors. The average capitalisation of stocks in the fund is £60m.

Walford looks particularly for cash-rich companies with a niche market, which are not too dependent on large companies for supply or distribution. In keeping with other Govett funds, the trust takes sizeable stakes in certain stocks.

The fund outperformed the sector average and the Hoare Govett Smaller Companies Index in four of the last five March-to-March annual periods, the exception being 1990-91 when the fund fell 20.8 per cent on an offer-to-offer basis. Of the three funds highlighted, Govett is the largest.

The S&P fund was launched inauspiciously in July 1987, at the pre-Crash stock market peak, and the unit price has fallen since launch. However, the fund is still the best in the sector over that period.

Manager Julian Hepher says he has a long term horizon of four or five years and he looks for "cheap" shares – the average p/e of stocks in his fund is below that for the sector. In the three complete March-to-March annual periods during which the fund has existed, it has outperformed the sector average each time and the Hoare Govett Smaller Companies Index in two of the three periods.

Philip Coggan

FINANCE AND THE FAMILY

John Authers on what financial promotions can and cannot say

Nice advert, shame about the product

PERSONAL FINANCE has never been so glamorous. Switch on any television and you are greeted with a salvo of exotic advertising from great and worthy financial institutions which were once proud to be dull.

An expanded and diversified industry has emerged from the Financial Services Act of 1986 with an array of new products. The problem lies in telling people about them.

Last year saw a surge in financial advertising. According to Mintel, the total spend on the main media in the UK was £440m – more than double the total advertising budget for alcoholic drink.

Like all advertising, this had to be legal, decent, honest and truthful. With financial products, whose relative merits may only be fully apparent many years hence, applying these terms is difficult.

Under the Financial Services Act of 1986, agreements can be made null and void if investors made their choice on the basis of advertisements not approved by the Securities and Investments Board. SIB says that all advertisements should be adequate and fair and inform customers of the risks involved. Many details are delegated to self-regulatory organisations, such as Lautro (for life assurance and unit trusts) and Fimbra (for intermediaries and brokers).

The regulators have adapted rules in response to complaints, but you must still read the adverts carefully.

Lautro's regulations are particularly strict, as the performance of products in its sector is hard to assess.

Past performance figures must be accompanied by a warning that they are not a guide to future prospects, which must not be counterbalanced. They must be relevant, sourced, and, in the case of unit trusts, they must contain a figure over five years or since the start of the fund, whichever is longer.

Lautro rules also forbid companies from implying that investments are available for limited periods or in limited quantities, if this is not true, and there are strict requirements on the advertising of life policy benefits.

For adverts which invite offers, usually with a cut-out form, you should not have to read the small print. Lautro insists that in text no smaller than that used for the rest of the advert, in a separate paragraph, it should be stated whether there is front end loading and whether capital value and income may fluctuate. With-profits policies adverts should state that the return depends on profits earned and decisions made by the life company.

All this makes it difficult for Lautro members to mislead the public. Unfortunately, it also makes it harder for them to explain their products with simplicity and force.

Rules are less stringent for "generic" advertisements, which may advertise a company's services in general, or promote generic products such as "pensions" or "unit trusts".

This has led to a profusion of "lifestyle" advertisements of the genre which might otherwise persuade you that your best chance of a jet-set lifestyle and romance with your neighbour is to drink the right blend of coffee. Now, careful viewing tends to suggest that all you need to be lucky in love is a with-profits endowment policy.

Mintel commented that these adverts, particularly those on television, say very little about the companies' products. However, they have been very successful in establishing name recognition and corporate identity.

Advertising which attempts to go into detail still has great difficulty working out which target group of consumers it is addressing, according to Mintel. Most are either too complex, or banal and over-simplified.

Mintel illustrates this with the different ways in which Personal Equity Plans – a new and relatively complicated investment vehicle – are advertised. Fidelity Investments adopts the style of a broker's note with comments, amid a dense mass of information, such as: "Buying equities during periods of market uncertainty . . . can often maximise the potential for long-term gains."

Bradford & Bingley Building Society appears to advertise its PEP to a very different consumer: "Why ask a stranger about a tax-free investment when you can go to a familiar face?"

Neither advert necessarily has anything wrong with it. But advertisers still do not seem to have adopted a rigorous approach to marketing.

For the time being, you can be reasonably confident that an advert will not mislead you – but you will be lucky if it tells you what you really need to know.

"I DON'T KNOW WHAT IT IS – BUT I'D LIKE TO GET MY HANDS ON SOME."

HOW TO SPOT THE DANGER SIGNS

MISLEADING OR dishonest advertisements will sometimes slip the regulatory net.

The Financial Intermediaries and Brokers Regulatory Association (Fimbra) wants to be alerted to any dubious adverts – it handled 256 complaints in the first six months of last year. Most were upheld, leading to the offending advert being withdrawn.

Adverts for Legal & Decent, or Honest & Truthful, with any of the following danger signs, should be treated with caution and reported either to Fimbra or to the relevant self-regulatory organisation:

■ The absence of "health warnings", as set out in the accompanying article, is a particular cause for alarm.

■ "Guarantees" are very difficult to arrange on any investment which will do much better than a building society. The risks may be acceptable, but be wary of the word "guaranteed".

It implies that a specific return (or level of income, growth, or whatever) is being guaranteed. A non-specific guarantee – ie "high income guaranteed" – is a useless guarantee. The word also implies a third party guarantor.

■ Past performance records need to be treated with caution. Collective investments will provide figures over the timespan which shows them to their best advantage. Comparisons may be best made via the five-year figure laid down by Lautro.

■ Extrapolations need to be treated with care. "In ten years this could yield you . . ." is a pointless statement unless realistic conditions have been clearly and fully stated.

■ Backtracking into a fictitious situation has been outlawed. For example, if a company claims "If you had bought this PEP in 1974 . . ." you should treat it with extreme caution, as PEPs were not available then.

■ The virtue of a product in general can be presented to suggest that it is unique to the company's own product. For example, "The investment we put into gilts is guaranteed by the Bank of England" does not mean much. The Bank guarantees to repay gilts at their face value and to repay interest. It does not guarantee that the value of any particular investment by a particular investor will not fall in value.

■ Know your rights. Lautro rules state that if there is any possibility of a salesman calling on you personally or by telephone after you have responded to an advert, this should be stated. Consumers must be allowed the opportunity to refuse an approach by a salesman.

■ Product problems need to be examined carefully. If something sounds too good to be true, it probably is. For example, if you are offered "the security of a high regular income plus capital growth" you might begin to smell a rat.

■ The logos of self-regulatory organisations such as Fimbra and Lautro should appear on advertisements and it would be illegal to carry on investment business without being a member.

Mortgage rates cut

THE BASE RATE cut – from 12.5 per cent to 12 per cent – may have been expected by most people in the financial markets but it caught mortgage lenders in various states of preparedness.

A few were able to announce cuts – of somewhere between 0.9 and 1 per cent – which will take effect in May. Most lenders are expected to follow suit next week as they catch up with the two recent half-point cuts. Many will wait to see which way the biggest lender, the Halifax, jumps.

Definite news came from two of the biggest lenders. Abbey National will cut 1 per cent off its mortgage rate from 13.85 per cent to 12.85 per cent for loans under £60,000. The cut will save £15.89 a month for a borrower with a £30,000 mortgage and £31.46 for someone with a £50,000 mortgage.

Abbey is also cutting 0.95 per cent – from 13.1 to 12.15 per cent – off the rate charged for loans of between £60,000 and £100,000. Those with mortgages of over £100,000 will see a cut from 12.9 to 11.95 per cent.

Nationwide Anglia has cut rates for those with loans of under £60,000 to 12.95 per cent (13.9 per cent); over £60,000 and under £120,000 will be 12.45 per cent (13.4 per cent); over £120,000 will be 11.95 per cent (12.9 per cent). The best news of all is for those borrowers on the annual plan who were expecting to pay 14.5 per cent for the rest of the year. They too will pay the adjusted rates, with the changes taking effect from May 17.

Other lenders to make announcements include:

Alliance & Leicester which is cutting mortgage rates by at least 0.75 per cent next week – possibly more. No decision has been made on whether or not to cut savers' rates.

Barclays said: "We will be reducing our mortgage rate. An announcement will be made next week."

Bradford & Bingley has cut rates for new borrowers from 13.25 per cent to 12.75 per cent immediately. Existing borrowers are subject to an annual review and are paying 14.25 per cent.

Britannia will make an announcement early next week. It will make a mortgage rate cut of some size.

Cheltenham & Gloucester is lowering its rate for new borrowers from 13.75 per cent to 12.75 per cent. Most existing borrowers are on an annual review system and are currently paying 14.25 per cent, although those who are not will enjoy the same cut as for new borrowers from May 1.

Household Mortgage Corporation will drop rates by at least 1 per cent and possibly more from the current rate of 13.95 per cent.

Lloyds Bank said: "We are reviewing rates at the moment. Our mortgage rate will come down, but we will not be making any announcement about them until next week."

Midland anticipates a reduction in its mortgage rate next week.

The Mortgage Corporation will be lowering rates but has not yet decided when or how. **National & Provincial** will be making a decision sometime next week. There will be a cut in the mortgage rate, but there is no indication yet of the amount.

National Home Loans has the situation under review. It would expect to make a reduction, and is awaiting moves from competitors. **NatWest** has not yet made a decision.

Royal Bank of Scotland said it was "likely" it would cut mortgage rates next week. **TSB** has not yet taken any decision.

Savers usually find out after borrowers about any rate cuts. But the Co-operative Bank is the only bank contacted by the *FT* which has already announced a cut in interest rates for savers – of 0.5 per cent. It is also considering a cut in mortgage rates.

Philip Coggan and John Authers

Savings for Nationwide Anglia borrowers

Size of loan (£)	Monthly saving (£) Standard loan	Monthly saving (£) Annual scheme
Endowment mortgage		
30,000	17.81	29.06
40,000	25.73	41.98
60,000	41.56	89.69
120,000	89.06	239.06
Repayment mortgage		
30,000	15.11	24.79
40,000	22.38	36.73
60,000	36.59	79.75
120,000	78.69	214.17

Changes from May 17. Borrowers will see the effect of reductions in their June payments

Over the limit

A SURPRISINGLY large number of people stumble along with unnecessary overdrafts from their bank. If you are one of them or if you occasionally go into an unauthorised overdraft, you should review your situation carefully.

For while base rates have been coming down, overdraft interest charges have either stayed put or gone up. The Midland Orchard account now charges you 39 per cent interest if you go into an unauthorised overdraft.

The reasons why this is happening are fairly clear. Times are tough for the banks, just as they are for many of their customers. They want to widen their spreads – in plain English extract much more interest than they pay out – and overdrafts are an obvious candidate.

Remember too that banks view overdrafts as a low-priced form of lending, compared with other forms of consumer credit such as personal loans or credit cards. Overdrafts are usually not covered by the Consumer Credit Act and banks do not have to publish in advance the full charges they will make.

Apart from the interest charged on your debt to the bank, there will also be transaction charges made on payments into and out of your account, and perhaps a flat standing monthly charge.

Lloyds Classic Account, its interest-bearing current account, for example charges a fee of £7 a month, plus a charge of £1.65 for the first overdraft transaction and 40p for each further transaction.

These additional charges are not usually included when the banks calculate the annual percentage rates on overdraft charges, so if you run a small overdraft for an extended period you are paying a lot for your money. It is particularly annoying to incur interest rates for an entire quarter simply because you strayed into a £25 overdraft for a few days.

Some consumers' groups and the retailers believe that the banks should publish their overdraft charges in a more comprehensible and transparent fashion. So far the banks have resisted calls to do this.

Among the larger banks and building societies, only Woolwich Building Society has cut its overdraft rates across the board.

It says it did so because it was bringing down all its other rates for savers and borrowers. This raises the question of why others in the market are actually putting their overdraft interest rates up.

David Barchard

Overdraft charges

	Mar 31 1990	Apr 1 1991
Abbey National current account		
Authorised	22.4	24.4
Unauthorised	31.3	34.4
Barclays Interest Option		
Authorised	24.1	24.1
Unauthorised	35.4	35.4
Co-Op Ultra Account		
Authorised	29.8	Negotiable
Unauthorised	29.8	31.4
First Direct Cheque Account		
Authorised	20.7	19.5
Unauthorised	37.6	39.0
Girobank Keyway		
Authorised	24.8	25.3
Unauthorised	30.5	34.4
Halifax Maxim		
Authorised	25.4	25.3
Unauthorised	34.4	34.4
Lloyds Classic		
Authorised	25.3	25.3
Unauthorised	36	37.6
Midland Orchard		
Authorised	23.8	29.8
Unauthorised	37.6	39.0
Nationwide Anglia Flex Account		
Authorised	23.8	26.8
Unauthorised	36.8	39.2
NatWest Current Plus		
Authorised	24.5	24.5
Unauthorised	35.7	37.5
Royal Bank of Scotland		
Authorised	19.5	19.56
Unauthorised	26.8	32.92
Woolwich Current Account		
Authorised	23.8	22.0
Unauthorised	34.4	34.0

Source: Abbey National Quarterly Round-Up

Debbie Harrison reports on a controversial launch

Cut-price pension line caught in phoney war

THE HOSTILITIES between fee- and commission-based financial advisers took an ugly turn last week, when angry rivals jammed the telephone lines at Discount Pensions, a new cut-price pensions service.

Discount Pensions is part of Campbell Financial Services (CFS), a member of the Financial Intermediaries Managers and Brokers Regulatory Association (Fimbra). The company charges £199 per product and rebates to the client its commission from the life office.

CFS threw down the gauntlet to commission-based advisers, who generally take about £900 in commission on an average £100 per month pension plan. Tied agents, who work directly for life companies, often earn even more.

The cheeky suggestion by CFS was that people could examine pension products with a commission-based adviser and then use its service to save several hundred pounds. This hit a raw nerve in the financial services industry. By the end of its first week, the company was forced to call in the police to deal with the abusive and threatening phone calls.

There is nothing new in financial advisers giving fee-based advice and rebating commission. Most accountants and solicitors have always done this, while a growing number of insurance brokers offer a fee-based service in tandem with their traditional commission-based business.

The Discount Pensions product has been criticised because CFS will keep any excess over Lautro commission levels and any commission generated by future rises in premiums. Completely fee-based advisers would either rebate all commissions or use them to enhance the policy benefits.

What made the launch of Discount Pensions really contentious was the company's position in the market. To date, most fee-based advisers have operated at the top end of the market, leaving the less well-off clients in the hands of commission-based advisers.

The service is simple and user-friendly. (Or, at least, it will be, once the heavy breathers get off the lines.) However, buying a pension by telephone will not appeal to everyone. Many people are bewildered by the choice of pension products and welcome the opportunity to discuss their requirements at a personal interview. The service also is inappropriate for individuals with a complex pension problem.

But CFS is convinced that, once people realise how much of their premiums go in commission, they will welcome a cheap alternative. The company intends to provide a similar discount service in future for annuities, endowments and unit trusts.

■ *Discount Pensions Tel: Freephone 0800-777-188.*

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Alexandra Work.	Feb	6,580	(7,500)	13.4	(15.4)	5.0	(4.7)
Avonmore Foods	Dec♣	13,300	(13,200)	9.0	(8.95)	2.75	(2.5)
Betacom	Dec	2,440 L	(278)	-	(0.84)	-	(1.1)
BHH Group	Dec	951	(7,460)	-	(3.89)	1.0	(4.0)
Billam (J)	Dec	117	(11)	4.2	(0.4)	4.04	(4.04)
Bilton (Percy)	Dec	16,340	(17,580)	25.8	(28.3)	17.44	(16.6)
Blockleys	Dec	3,290	(5,370)	9.16	(14.0)	4.81	(4.81)
Bodycote Int'l.	Dec	10,550	(9,810)	27.1	(26.3)	8.75	(8.0)
Boosey & Hawkes	Dec	3,250	(2,460)	49.4	(37.2)	16.4	(12.3)
Bostrom	Dec	3,040	(2,900)	24.8	(24.1)	6.0	(5.75)
Bourne End Props	Dec	2,210 L	(994)	-	(8.9)	2.0	(3.0)
Brabant Res.	Dec♥	364	(128 L)	5.1	(-)	-	(-)
Britannia Group	Dec	631	(3,040)	3.5	(16.9)	3.0	(5.7)
Cairn Energy	Dec	334 L	(1,200)	-	(7.54)	-	(-)
Capital & Region	Dec	352	(3,860)	0.91	(29.2)	0.9	(0.9)
Chepstow Race.	Dec	47	(67)	8.26	(10.7)	1.0	(1.0)
City Centre Rst.	Dec	10,640	(10,120)	4.04	(3.72)	1.39	(1.26)
Clearmark	Dec	3,270 L	(1,300)	-	(1.35)	-	(-)
Conder Group	Dec	19,290L	(10,420)	-	(16.9)	0.3	(16.0)
Dagenham Motors	Dec	3,410	(3,540)	13.7	(14.5)	5.75	(5.25)
Dawsongroup	Dec	390 L	(3,140)	-	(6.4)	1.5	(3.2)
Dewhirst Group	Jan	3,020	(5,510)	2.19	(3.86)	0.64	(1.15)
Equity & Law	Dec	12,800§	(13,800§)	-	(-)	15.25	(13.2)
Erith	Dec	2,300	(3,040)	3.96	(4.77)	3.9	(3.9)
Fairhaven Int'l.	Dec●	10,130	(7,320)	3.65	(2.45)	0.2	(0.1)
FBD Holdings	Dec♣	8,110	(6,670)	11.0	(9.6)	3.0	(1.3)
Filofax	Dec	1,550 L	(959 L)	-	(-)	-	(-)
Fitch-RS	Dec	51	(3,710)	-	(34.2)	1.5	(9.5)
Fortnum & Mason	Jan	2,060	(1,960)	311	(294)	90.0	(83.0)
Gardner DC	Dec	2,110	(1,600)	8.0	(10.7)	4.5	(4.3)
Gowrings	Dec	432 L	(1,300)	-	(13.0)	3.25	(5.62)
Haden Maclellan	Dec	23,640	(17,850)	20.0	(18.1)	8.0	(7.0)
Hampden Home.	Dec	506	(1,480)	2.0	(7.45)	0.2	(2.1)
Herring Son	Jan	3,490	(3,430)	19.5	(19.9)	6.5	(5.75)
Hewden Stuart	Jan	25,160	(36,160)	9.14	(13.5)	3.0	(2.75)
Home Counties	Dec	2,890	(4,270)	18.5	(27.7)	8.25	(8.0)
House of Lerose	Dec	854	(1,070)	11.6	(14.7)	10.3	(10.3)
Ingham (George)	Dec	223 L	(96 L)	-	(-)	3.0	(3.0)
ISA Int'l.	Dec	2,830	(3,270)	5.64	(7.06)	1.288	(1.12)
Johnston Group	Dec	5,860	(7,320)	30.4	(40.3)	13.0	(13.0)
Laird Group	Dec	38,880	(43,700)	24.4	(30.3)	10.0	(9.7)
Lamont Holdings	Dec	10,010	(12,390)	28.1	(35.4)	12.0	(11.2)
Lawrence (W)	Dec	3,570	(15,020)	2.5	(15.7)	4.5	(7.5)
Lexicon	Aug●	575	(374 L)	-	(-)	-	(-)
London & Man.	Dec	21,600	(20,800)	13.9	(13.4)	13.32	(12.1)
MB-Caradon	Dec¥	101,700	(80,100)	15.4	(14.7)	8.5	(8.37)
Mclaughlin & Har	Dec	110	(2,200)	2.2	(27.0)	10.0	(10.0)
Medeva	Dec	4,010	(-)	3.4	(-)	0.75	(-)
Metsec	Dec	4,150	(4,520)	17.2	(22.2)	6.4	(5.8)
Micro Focus	Dec	13,500	(8,200)	87.1	(39.4)	-	(-)
Mowlem (John)	Dec	34,000	(55,000)	24.1	(45.6)	21.0	(21.0)
New England Prop	Dec	1,550	(3,110)	1.2	(2.9)	-	(1.0)
Next	Jan	40,700L	(46,700L)	-	(-)	0.7	(4.7)
Norish	Dec♣	1,500	(2,130)	12.3	(19.5)	11.5	(11.5)
North Brit. Can.	Feb	837†	(731†)	12.4	(10.8)	12.25	(10.5)
Nurdin & Peacock	Dec	25,850	(22,610)	15.6	(12.5)	5.2	(4.6)
Ocean Group	Dec	48,000	(46,100)	28.1	(27.5)	14.2	(13.4)
PA Consulting	Dec	2,100	(13,500)	-	(-)	-	(-)
Pearson	Dec	226,300	(250,500)	58.5	(67.0)	23.25	(21.5)
Pittard Garnar	Dec	5,750 L	(4,040)	-	(11.8)	0.25	(6.1)
Pittencrieff	Dec	2,030	(708)	14.0	(11.4)	4.5	(-)
Proudfoot (A)	Dec	46,040	(38,350)	47.5	(37.3)	19.0	(11.2)
Queens Moat	Dec	94,090	(82,420)	8.59	(7.55)	2.62	(2.28)
Richards Group	Dec	1,460	(1,330)	12.0	(11.0)	4.4	(4.0)
Riva Group	Dec©	778	(697 L)	2.4	(-)	-	(-)
RMC Group	Dec	216,200	(248,000)	58.2	(68.5)	19.3	(18.0)
Savoy Hotel	Dec‡	10,320	(13,080)	28.8	(29.4)	7.0	(7.0)
Severfield Reeve	Dec	1,860	(2,040)	11.9	(14.1)	3.0	(4.0)
Sherwood Comp.	Dec	2,000	(2,000)	17.0	(25.0)	5.25	(4.5)
Sherwood Group	Dec	10,630	(8,130)	43.5	(35.8)	9.1	(7.5)
Sindall (W)	Dec	1,690	(2,480)	14.2	(21.0)	6.0	(6.0)
Stylo	Feb	1,670	(3,990)	4.07	(14.5)	9.0	(9.0)
Swallowfield	Dec	2,370	(2,140)	16.0	(14.4)	8.1	(5.6)
Sykes Pickavant	Dec	1,190	(1,580)	8.33	(11.0)	5.75	(5.75)
Thompson Clive	Dec	519#	(348#)	4.1	(2.7)	3.6	(2.0)
Tudor	Dec	325	(384)	3.66	(5.94)	2.7	(2.7)
UK Land	Sept	14,780L	(5,640)	-	(82.5)	-	(14.5)
United Friendly	Dec	18,800	(20,700)	18.1	(20.7)	10.25	(8.2)
Wace Group	Dec	26,550	(21,800)	25.5	(26.1)	8.25	(7.5)

THE FUND MANAGERS

Better days at Gartmore

LAST YEAR did not start happily for Gartmore Investment. It was sold to Banque Indosuez, subsidiary of French bank Compagnie Financiere de Suez, just before the collapse of former parent British & Commonwealth, the financial services conglomerate.

Since, its pension fund business has flourished and there has been a big improvement in the performance of most of Gartmore's unit trusts. The investment trusts have been relatively free of the traumas which have affected many competitors.

Gartmore has more unit trusts in the top two quartiles over one year than it has over three or five, partly a reflection of the rationalisation of its unit trusts from 32 to 22 in early 1990. This reduction followed B&C's acquisition of Oppenheimer's funds of around £250m in 1987. When the stock market crashed, it became clear the group could not cope without substantial reorganisation.

Several senior fund managers have since been recruited, including Chilton Thompson, who is responsible for the international funds. He has tried to deal with a "lack of co-ordination" and to set up a more formal asset allocation system for the international funds.

Most unit or investment trust managers have pension funds or other assets to manage, so responsibilities are shared on a geographical basis.

Measures were overdue for the US funds, which have since shown perkier performances over three years, with the Emerging Growth fund ahead of average.

Among Gartmore's other international funds Global Income and Growth aims to outperform the Morgan Stanley Capital Index while offering an above average yield, currently about 6 per cent.

The Frontier Markets trust aims to invest in the "kind of countries which will be the next Singapore". Much of it is invested in the Far East, with some in South America, and the fund is not dominated by oil stocks. Last year performance was hit by the Gulf War.

Gartmore has done well in Europe. The European Select Opportunities fund was a top quartile for a while, but recently the larger pension fund-style European fund has performed better. The Euroventures fund was launched in 1990 and intends to take advantage of developing markets in Eastern Europe, although around 15 per cent is still held in cash.

In the Far East, the performance of Hong Kong and Pacific funds has improved markedly. Bruce Seton, in charge of the Far Eastern trusts, says Pacific has benefited from aggressive stock selection. In Hong Kong, recent strategy has been to concentrate on blue chips.

The Japan fund, heavily weighted in warrants, was badly hit by the market fall of October 1987. It then became a quasi-index linked fund in which 40 per cent of the fund was invested in financials. This proved even more disastrous. Seton imposed a new policy in 1988 and the fund is now run along conventional, managed lines.

Gartmore's flagship is British Growth, a 20-stock portfolio which looks for undervalued stocks. This works, as the fund is in the top quartile over both one and three years.

Another strong performer is Practical Investment, which was inherited from the Oppenheimer acquisition. Previously owned by Tether and Greenwood, private client stockbrokers, it came with the condition that the Ashfield family should continue to manage it. The fund is managed by the third generation of the family and has an excellent record.

Thomson is less sanguine about the UK smaller company fund and blames disappointing one- and two-year performances on the smaller company depression. He praises the manager and has no doubts that a "long term, pension fund" approach is the right one.

The Extra Income fund is the highest yielding of the three income funds, offering investors a gross return of around 6.2 per cent. Over the last year, 30 per cent of the fund has been in investment trust income shares and it has done well over the long term performance periods.

The High Income, which yields about 5.2 per cent, is in the second quartile over five years but the income fund, which yields just 3.7 per cent, has done less well, performing in the fourth quartile over one and three years. This income fund is run in London, while the rest are run in Scotland where they are managed along with the Scottish & National and Gartmore Value Investment trusts.

Scottish & National, the UK's largest split capital investment trust, offers seven different kinds of capital shares so holders can choose any mix of capital and income. It can also be held as a PEP. Performance has tended to match the FT-Actuaries All Share Index. The companies it holds are not necessarily top 100 but are similar, with good yields. It has a reputation for being well managed.

English & Caledonian trust is Gartmore's smallest and specialises in development capital schemes. English & Scottish is a capital growth trust invested worldwide. Performance suffered a year ago because the trust was underweight in Japan and highly exposed to the US.

Gartmore American Securities offers a growing income with capital, yielding 17 per cent, but its assets have fallen over the last two years. Gartmore Value Investments is run along similar lines in the UK and yields around 14.6 per cent. The Emerging and Pacific trust has performed slightly better than average over the long term. It is harder to judge the European trust as it has only one true competitor, Foreign & Colonial. Nevertheless, its record is not as good as F&C's.

There is still work to be done at Gartmore. But the early signs are good. Gartmore may have been lucky, but it takes more than luck to pull disparate funds and trusts together and make a stronger whole.

Heather Farmbrough

Gartmore trusts under management

	Size	Launched	Performance over 3 years	Performance sector
American	14.8	1976	+29.8	+41.0
Am Emerg Gth	9.1	1983	+45.9	+41.0
Brit Growth	44.7	1973	+37.1	+14.9
Cash	15.4	1990	n/a	n/a
European	146.3	1984	+42.0	+46.4
Euro Sel Opps	33.7	1984	+47.1	+46.4
Euroventures	2.2	1990	n/a	n/a
Extra Income	13.4	1976	+15.5	+16.7
Frontier Mkts	25.7	1987	+33.9	+23.6
Global Inc	46.7	1979	+34.7	+20.4
Gold & Int Res	4.8	1969	+5.8	+0.6
High Income	52.9	1975	+17.3	+16.7
Hong Kong	8.6	1983	+65.8	+84.6
Income	54.8	1972	+16.5	+22.1
Intl Fixd Int	14.2	1980	+4.3	+12.8
Intl Index	3.8	1989	n/a	n/a
Japan	21.7	1980	+19.7	+4.3
Pacific Gth	33.2	1984	+100.2	+84.6
Pract Inv	101.5	1941	+40.4	+30.7
Preference Share	2.7	1982	-18.9	+6.2
UK Index	35.4	1989	n/a	n/a
UK & Intl	7.5	1990	n/a	n/a
UK Smaller Cos	10.1	1981	+0.7	-9.9

Source: Fiestat. All figures to Apr 1

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
AB Electronic Prods.	Dec	2,020 L	(5,350)	-	(4.0)
Barry Wehmiller	Jan	4,310	(5,020)	2.4	(2.2)
Dowding & Mills	Dec	5,110	(5,590)	0.88	(0.8)
Highland Dist.	Feb	15,080	(12,720)	1.38	(1.2)
Magnetic Materials	Dec	220	(704)	0.9	(0.9)
Shandwick	Jan	8,120	(7,270)	1.18	(0.89)
Smiths Industries	Feb	50,700	(50,100)	3.9	(3.6)
Stanhope Props.	Dec	33,820L	(20,070)	-	(-)
TIP Europe	Jan	2,460	(7,560)	0.56	(1.7)
Tubular Edgington	Jan	5,780 L	(975 L)	-	(-)
Wardle Storeys	Feb	4,290	(5,030)	4.0	(4.0)
Wescol Group	Jan	180 L	(910)	-	(1.5)
Wharfedale	Dec	106	(319 L)	-	(-)

(Figures in parentheses are for the corresponding period.)
*Dividends are shown net pence per share, except where otherwise indicated. L = loss.† Net revenue.¥ Last years figures for 9 months.● Figures quoted in US dollars & cents.# Available profit.© Last years figure for 6 months.‡ Earnings per share & dividend payments on 'A' shares.♣ Figures quoted in Irish pounds & pence.♥ This years figures for 9 months.§ Net profit.

RIGHTS ISSUES

BPP Holdings is to raise £12.35m via a 1-for-4 rights issue at 255p.
Clearmark is to raise £2.24m via a rights issue of 2.24m preference shares.
Cooper Clarke is to raise £1.52m via a three-for-two rights issue at 15p.
Expamet International is to raise £21m via a 1-for-3 rights issue at 135p.
F&C Eurotrust is to raise £18.7m via a 1-for-4 rights issue at 157p.
Gaelic Resources is to raise I£1.81m via a two-for-three rights issue at 275p.
Mowlem (John) is to raise £45.6m via a 1-for-5 rights issue at 265p.
Ocean Group is to raise £86m via a 1-for-4 rights issue at 295p.
Sanderson Murray & Elder is to raise £3.1m via a 1-for-2 rights issue at 320p.

Pension scheme collapse underlines indemnity need

Eric Short on the pensioners who are receiving no payments

THE COLLAPSE of a company pension scheme has highlighted the need for a scheme to compensate employees and pensioners whose scheme runs into financial trouble.

Nine pensioners in the scheme operated by the Farr Group, a Wiltshire-based construction group, are not receiving any pension payments at present and do not known when or whether those payments will be resumed.

Quite simply, there is no money in the fund to pay those pensions. How has such a situation arisen?

The parent company is being wound up, with the Serious Fraud Office and local police investigating the company's affairs. And these troubles have spilt over into the pension scheme.

The last set of audited accounts were produced for the year ending December 31 1988. By September 1989 the fund had reached £3m, of which one-third of the assets was held in shares of the parent company and the remainder in stocks and cash.

Last month, the recently appointed independent trustee, Cedric Clapp, insolvency partner in the Bristol branch of big accountancy firm Ernst & Young, told pensioners that the £2m of assets held in stocks and cash had been drawn out and paid over to the parent company and cannot be accounted for. The shares in the parent company left in the pension fund were worthless.

The Serious Fraud Office is also investigating the affairs of the pension scheme. Press reports indicated that the money could now be in Swiss and Panamanian banks.

Professional advisers have been appointed to trace and recover the money. But even if they are successful, it will take some time to get it.

Meanwhile these pensioners, who probably had no choice at the time but to join the scheme, are not receiving any pension. There is little, if anything, they can do about it.

There are compensation schemes for investors who save with life companies or hold other investments. But there is no compensation scheme for company pensions because they are not classified as investments even though for many people a pension represents the biggest investment of their lives.

The pensions industry will argue, justifiably, that the creation of an all embracing compensation scheme would encourage employers in financial trouble to let their pension scheme run into deficit. So any compensation scheme should be confined to schemes where the trouble has arisen through fraud.

This experience has highlighted just how easy it is for the assets of a pension scheme to dissipate before the workers and pensioners are alerted to what is happening. It is amazing that so few cases of fraud have come to light.

So the second lesson is for legislation to tighten the management of pension scheme assets. Consideration could be given to the assets being held by independent custodians, to the appointment of independent trustees and member trustees.

Above all, this affair highlights the all-embracing role of trustees in the affairs of company pension schemes and the need for constant vigilance.

Millions of employees and pensioners rely, or will rely, on their company pension schemes for most of their income in retirement. All measures possible must be taken to ensure that that income will be secure for pensioners.

Finally, in the case of the Farr pension scheme, it is apparent that even if all the money is successfully recovered, the fund will be insolvent in that it could not cover the promised benefit levels.

So in any event, if pension payments are resumed, they almost certainly will be at a substantially lower level.

Current legislation will only allow a pension scheme to have a small proportion of its assets invested in the parent company. But in cases like the above, this would only mean that there are more assets to be stripped out unless other measures are taken.

THE BEST RATES FOR YOUR MONEY

	Account	Telephone	Notice/term	Minimum deposit	Rate %	Int. paid
INVESTMENT A/C's and BONDS (Gross)						
Southdown BS	SuperSaver	0273 471671	Instant	£1	13.00	Yly
Cheltenham & Gloucester BS	London Share	0452 372372	Instant	£2,500	13.70	Yly
West Bromwich BS	Notice Share	021 525 7070	180 Day	£10,000	14.50	Yly
Cheshunt BS	Special 90	0992 26261	90 Day	£50,000	14.50	Yly
Skipton BS	Optimum Bond	0756 700500	1.3.93	£5,000	15.00	Yly
Bristol & West BS	Special Edition	0272 294271	30.4.92	£25,000	15.00	Yly
TESSAs (Tax Free)						
Abbey National		071 486 5555	5 Year	£1	15.00	Yly
Exeter Bank		0392 60635	5 Year	£250	14.25	Qly
Skipton BS		0756 700500	5 Year	£100	15.25	Yly
National Counties BS		0372 742211	5 Year	£3,000	15.40	Yly
HIGH INTEREST CHEQUE A/Cs (Gross)						
Caledonian Bank	HICA	031 556 8235	Instant	£1	12.00	Yly
Chelsea BS	Classic	0242 521391	Instant	£2,500	12.80	Yly
	(Postal A/c)			£25,000	13.80	Yly
American Express	Cardholder CA	0444 230230	Instant	£25,000	12.80	Mly
Northern Rock BS	Current A/c	091 285 7191	Instant	£25,000	13.00	Mly
OFFSHORE ACCOUNTS (Gross)						
Nat & Prov (Douglas)	Independent Res	0624 662828	Instant	£10,000	13.00	Yly
Alliance & Leicester	Manximum 90 Day	0624 663566	90 Day	£50,000	14.00	Yly
Bradford & Bingley	Maximiser Bond	0624 662883	31.3.92	£5,000	14.33	OM
				£25,000	14.67	OM
C & G Channel Islands	Guernsey Gold	0800 272383	Instant	£100,000	14.25	Yly
GUARANTEED INCOME BONDS (Net)						
Canada Life		0707 51122	1 Year	£50,000	9.70FN	Yly
Financial Assurance		081 367 6000	2 Year	£5,000	9.25FN	Yly
Liberty Life		081 440 8210	3 Year	£25,000	9.50FN	Yly
Consolidated Life		081 940 8343	4 Year	£2,000	9.25FN	Yly
Aetna		0800 010575	5 Year	£25,000	9.50FN	Yly
NAT SAVINGS A/Cs & BONDS (Gross)						
	Investment A/c's	Post Office	1 Month	£5	12.25%	Yly
	Income Bonds	Post Office	3 Month	£2,000	13.50%	Yly
	13.0 from 27.Apr					
	Capital Bonds C	Post Office	5 Year	£100	11.50F	OM
NAT SAVINGS CERTIFICATES (Tax Free)						
	36th Issue	Post Office	5 Year	£25	8.50F	OM
	5th Index-Linked	Post Office	5 Year	£25	4.50 + Infl	OM

All rates (except Guaranteed Income Bonds) are shown Gross.
* = Gross Equivalent Rate. Fixed = Fixed Rate (All other rates are variable. OM = Interest paid on maturity. N = Net Rate. B = Bond
Source: Moneyfacts, The Monthly Guide to Investment and Mortgage Rates, Walsham House, Stalham, Norwich.

THE WEEK AHEAD

NEXT WEEK sees yet more results from construction and building materials companies. Attention will focus not so much on profit falls but whether any more rights issues appear. Average forecasts for Blue Circle, due on Thursday, suggest pre-tax profits of about £195m last year compared with £231.8m in 1989. Higgs & Hill is expected to report between £10m and £12m (£26.5m) on Wednesday, barring increased provisions on property.

Trusthouse Forte, the leisure group, is expected to report a 20 per cent drop in pre-tax profits to around £210m (£260m) for the year to end-January on Thursday. However, much of the fall will reflect lower profits on property sales of perhaps £10m compared to £45m.

Lep, the freight forwarding and security company reporting 1990 results on Thursday, must regret that Michael Ashcroft's ADT, now the subject of a lawsuit from the Canadian company Laidlaw, holds 27 per cent of its shares. The market will not take much notice of its profits while that drama hangs over the stake. Nevertheless, analysts expect Lep to report a creditable rise in pre-tax profits to about £31.5m (£26.5m).

Interim results to the end of February from Albert Fisher, the fresh food distributor, also due on Thursday, are expected to show £44m pre-tax (£19.9m). Much of the improvement will come from interest receivable. Of more concern are questions over the sudden departure of Keith Brackpool, head of the US business.

COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND MERGERS

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m**	Bidder
	Prices in pence unless otherwise indicated				
ASD	78*	73	93	22.89	Steelhold
Do. 8% Cnv. Pf.	100*	98	93	12.03	Steelhold
Century Oils	145*	144	112	48.10	Fuchs Group
Crosby (James)	100*	98	90	10.87	Berkeley
DAKS Simpson "A"	585*	575	383	31.73	Sankyo Seiko
Do. Ord	3906*	3213	-	33.06	Sankyo Seiko
Empire Stores	125*§	125	88	49.45	Redoute Cat'gue
Frogmore Est.	319§	346	349	127.25	Southend Prop.
Hamburger Brooks	220*§	210	195	2.87	Kimball Intl.♦
Logitek	18§	19	28	3.23	Microvitec
Memec	270♦	264	262	74.61	Raab Karcher UK
Merlin Intl Props	5*	5†	5	1.37	Lubric
Do. Cum. Pf.	5*	5†	5	1.50	Lubric
Robertson Grp.	100.6	91	82	51.63	Simon Eng.
Tootal	65*§	75	65	169.26	Coats Viyella

*All cash offer. †Cash alternative. §For capital not already held. ‡Unconditional. **Based on 2.30pm prices 12/4/91. ††At suspension. §§Shares and Cash. ♦ In cash, or loan notes payable in 3 yrs; or 250p in cash or loan notes with further 130p cash or loan notes in 1994. ♦ Already controls 71%.

RESULTS DUE

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Asda Property Holdings	Monday	0.6	1.15	0.6
ATA Selection	Thursday	1.0	1.5	1.0
Barlows	Thursday	0.82	1.65	0.82
Bentalls	Wednesday	0.6	3.25	0.6
Berry Starquest	Friday	-	1.5	-
Blue Circle Industries	Thursday	3.5	7.5	3.75
Castle Mill International	Tuesday	0.75	0.25	-
Copymore	Monday	0.8	1.7	0.8
CSC Investment Trust	Friday	4.2	6.75	4.2
Denistron International	Wednesday	0.7	1.65	0.7
Dunloe House Group	Tuesday	-	-	-
Eidos	Thursday	-	-	-
EIS Group	Tuesday	2.75	7.7	3.02
El Oro Mining & Exploration	Tuesday	-	12.0	-
English National Investment	Wednesday	2.3	8.6	2.55
Explaura Holdings	Monday	-	-	-
Exploration Company	Tuesday	-	6.0	-
Finlay Packaging	Monday	0.75	3.25	0.75
Golden Vale	Wednesday‡	-	-	0.36
Govett Oriental Invest. Tst.	Thursday	0.6	1.0	0.75
Great Southern Group	Wednesday	2.6	5.4	3.0
Hammerson Property Invest.	Friday	3.5	16.0	3.5
Hartons Group	Tuesday	0.10	0.10	0.10
Havelock Europa	Thursday	1.0	2.5	1.5
Hewtal Whiting Holdings	Friday	-	4.0	-
Headlam Group	Monday	0.75	1.65	0.75
Higgs & Hill	Wednesday	4.4	15.6	6.0
Hunting	Monday	3.5	5.6	4.0
Le Creuset	Wednesday†	-	0.24	0.13
LEP Group	Thursday	1.75	4.25	2.0
LIT Holdings	Tuesday	2.7	2.93	3.75
Martin (Albert) Holdings	Tuesday	1.6	2.4	1.6
Morgan Crucible Company	Monday	5.3	8.7	5.65
Newarthill	Tuesday	-	-	-
Parambe	Thursday	0.5	1.0	0.5
Quicks Group	Thursday	2.0	4.0	2.0
Rea Brothers Group	Monday	0.25	0.25	0.25
River & Merc Geared Cap & Inc	Thursday	1.3	3.1	1.4
Roskel	Friday	1.3	3.0	1.3
Russell (Alexander)	Monday	0.54	1.07	1.0
Siam Selective Growth Fund	Thursday	-	-	-
Storm Group	Wednesday	-	-	-
Trusthouse Forte	Thursday	2.5	7.16	2.75
Turriff Corporation	Monday	4.25	10.75	4.25
Venturi Investment Trust	Monday	-	-	-
Whatman	Thursday	2.0	4.25	2.5
INTERIM DIVIDENDS				
Amber Day Holdings	Monday	0.7	1.3	-
Barrett (Henry) Group	Thursday	2.0	3.65	-
British Empire Sec & Gen Tst	Friday	0.25	0.63	-
Fisher (Albert)	Thursday	1.5	1.85	-
Low (William) & Company	Thursday	2.5	5.25	-
Lyles (S)	Monday	1.5	2.55	-
Prestwick Holdings	Wednesday	0.5	1.0	-
River & Mercantile Extra Inc	Tuesday	1.87	1.87¥	-
Sage Group	Thursday	2.35	4.65	-

*Dividends are shown net pence per share and are adjusted for any intervening scrip issue.† Figures quoted in French francs.‡ Figures quoted in Irish pence.¥ 2nd interim dividend.

FINANCE & THE FAMILY

EXPATRIATES

Revenue shows generous side

ADJECTIVES such as generous and considerate do not spring readily to mind in relation to the Inland Revenue. The men and women who work at the department may be no more or less caring than the rest of us, but their official duties involve them in applying tax laws which allow little latitude.

But Budget changes brought a caring face to the taxman in a couple of areas. The Inland Revenue will give sympathetic consideration for extra time to pay tax bills to all those returned prematurely from the Gulf. More important, special arrangements might actually reduce or eliminate those bills.

Anyone who works outside the UK while nevertheless remaining a tax resident can, by means of the "foreign earnings deduction", achieve complete exemption on their pay. To do this they must show that their employment is carried out in the course of a "qualifying period" which exceeds 365 days — whether or not a complete tax year is involved.

Put briefly, a qualifying period encompasses not only days spent abroad but, additionally, intervening days spent in the UK — whether for work or leave — provided that they exceed neither 62 consecutive days nor an aggregate of one sixth of the days in the period. (For seafarers, the appropriate figures are 90 and one quarter respectively before April 6 1991 and double that afterwards.) For this purpose, you are treated as being in Britain for a day if you are there at midnight.

Many employees in Iraq or Kuwait who returned to the UK earlier than intended might thus have been confronted with unexpected tax bills on top of the danger and privation they had already faced. This will not now occur.

Whether or not their employment had run for 365 days or more, such workers will be exempt from tax on their earnings provided that they were, on August 2 1990 or any time in the previous 62 days (90 days in the case of seafarers) employed under a contract requiring them to perform substantially all of their duties in Iraq or Kuwait.

That will, therefore, include anyone who returned to the UK for a temporary visit on or after June 1 1990 and was unable to return. In all cases, those affected must show that, but for the disruption, they would have qualified for the foreign earnings deduction. Anyone whose overseas employment was never intended to last for 365 days or more, or who had already exceeded the visit rules before problems erupted in the Gulf will be excluded.

The foreign earnings deduction, as the name indicates, provides exemption only in respect of overseas earnings. Even more beneficial is non-residence which excludes from liability overseas investment income and capital gains whenever they arise. The two sets of rules do, in fact, operate in parallel so if you fail to benefit from one, you may nevertheless qualify for the other.

To become UK non-resident, you must work full-time overseas for a period which exceeds a complete fiscal year during which time home visits must neither exceed six months in any one year not three months per annum on average. Once non-residence is established, the three-month rule is applied over a rolling period of four consecutive years.

Clearly, an early return from Iraq or Kuwait can be just as destructive of non-residence as of the foreign earnings reduction. However, help is forthcoming in this case too — but only in relation to the three months' rule. If you are in the UK for more than six months in a tax year then, regardless of the reasons, you *will* be resident for the year. Helpfully each year is looked at separately so a visit straddling two tax years could last for almost a year without the loss of non-residence status.

The press release says: "So long as it is the person's intention to resume full time employment overseas, the days spent here on account of exceptional circumstances beyond the individual's control will be left out of account in calculating their average length of visits here."

This applies generally and is not restricted to those caught in the Middle East conflict. So what are "exceptional circumstances beyond the individual's control"? Clearly, being forced home by the Gulf conflict is one. The statement itself cites illness as another, so accident would almost certainly be covered. But what about illness or injury of your spouse, child, friend or business colleague? And what of missed flights? There must be a limit somewhere.

Residence status also results from any visit to the UK, however short it might be, if accommodation is maintained there for your use — unless at the time you have full time employment or business. So what is the position of Gulf returnees (or others) who retain UK homes and whose jobs have gone? Nothing is said about them.

Perhaps it is assumed that the foreign earnings deduction will nevertheless exempt their salaries, But it is not difficult to imagine circumstances in which that too would be lost.

It is inevitable that such questions should arise. But that should not be allowed to diminish the welcome accorded to the granting of this flexibility by the Inland Revenue.

Donald Elkin

■ *Donald Elkin is a director of Wilfred T Fry of Worthing.*

Anthony Annakin-Smith warns that CGT relief could prove an inheritance tax trap

A saving that could rebound

CHANGES TO THE Capital Gains Tax (CGT) retirement relief provisions were among the more welcome proposals for businessmen in Norman Lamont's Budget. However, proprietors wishing to take advantage of these measures should beware of stepping out of the CGT frying pan and into the Inheritance Tax fire.

Retirement relief — a misnomer as it is not actually necessary to retire to benefit from it — applies when a business owner disposes by gift or sale of all or part of his business, provided he has owned it for at least ten years. Under the present rules the first £125,000 of gain on any disposal — after allowing for indexation — is exempt from CGT and the next £375,000 benefits from 50 per cent relief.

Thus the relief is currently worth up to £125,000 for a higher rate taxpayer and up to £250,000 where a business is jointly owned by a husband and wife. The Chancellor proposes to increase the limits for relief, by substantially more than inflation making £150,000 wholly exempt with 50 per cent relief on the next £450,000. Thus proprietors will be able to save up to £150,000 in CGT.

Perhaps the most significant change however is that Lamont intends to reduce the age of eligibility for this relief from 60 to 55 — until now relief was only available before 60 in cases of ill health.

Many business owners will therefore be considering whether to bring forward their retirement. If they are over 55, they may consider disposing of their business immediately or, if under 55, they can at least start planning towards the earlier age.

However, disposal of a business can mean the loss of valuable Inheritance Tax (IHT) reliefs and it is therefore essential that this is properly planned for.

There are three particular IHT traps. First, while a business owner retains the business it will normally qualify for business property relief (provided it meets certain qualification rules). This means that if an actual or potential IHT charge arises, for example on death or on gifting an interest in a business, the value is discounted by up to 50 per cent.

Thus a business worth £200,000 on death will usually be treated as worth only £100,000 for IHT purposes with consequent tax savings. This benefit is particularly useful where a business is being passed from one generation to the next. However, if the business is sold, say for cash, the relief no longer applies and the former proprietor's IHT problem may effectively have doubled overnight.

The second IHT benefit in danger is the option to pay any IHT arising in ten annual interest-free instalments. Again certain rules for qualification apply but, for example, this relief will often allow the family of a deceased business owner to meet an IHT bill out of income rather than capital. Again, once the business is sold, this valuable option is lost.

It is often possible to meet an IHT liability from life assurance benefits payable from personal and executive pension schemes. These can usually be paid free of Inheritance Tax to any nominated beneficiaries. However, the third IHT possible problem that may arise on disposal of a business is that such death benefits will often cease, abruptly leaving the proprietor without cover.

One other area where IHT consideration must be given is if shares or an interest in a business are gifted, for example to the proprietor's children. A tax liability could still arise for up to seven years but this can normally be countered by the use of a level or decreasing term assurance policy as appropriate.

Care must clearly be taken if the sale of a business is being contemplated. It is essential to start IHT planning as early as possible to avoid leaving your estate with an unnecessary problem. If a life assurance solution is used there is always the danger that by delaying, ill health could prevent cover being effected and in any event the cost of cover is certain to rise with age.

Business owners should also start considering their business assurance arrangements. If a proprietor is seeking to retire early his co-owners need to be considering what will happen to his share of the business on retirement — should they be making provision to buy his interest?

The option for early retirement also enhances the benefits of business assurance. This is where, following the death of a business proprietor, his co-proprietors use the proceeds of a life assurance policy to buy his interest from the beneficiaries of his estate. If a whole of life plan is used then, if the proprietor survives to retirement, the availability of the policy for other purposes enhances its attractions.

For example, it could be used for family protection or possibly to assist with Inheritance Tax provision. Alternatively the policy could be encashed and the proceeds used to pay for children's education or weddings; or perhaps to enhance pension provision.

■ *Anthony Annakin-Smith is life products manager for Royal Life's financial planning division.*

A redundant gift horse?

Q&A

BRIEFCASE

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

I HAVE been made compulsorily redundant, and have received a lump sum payment with three components:
a) *statutory redundancy pay,*
b) an ex gratia payment,
c) 12 weeks pay in lieu of notice

This last is not a contractual obligation, and is an ex-gratia payment. Is it:
1) subject to income tax?
2) subject to NI contributions and if so at what rate (given that my employment was contracted out)?
3) likely to debar me from receiving unemployment benefit for 12 weeks?
4) and would it have made a difference if the employer had called it an additional ex-gratia payment?

The 12 weeks straddle two tax years.

1) The first item (a) is exempt from income tax, by virtue of section 579(1) of the Income and Corporation Taxes Act 1988. The second and third items (b and c) may well be within the scope of Schedule E — depending upon the precise background facts — but, as no PAYE tax was deducted, it seems virtually certain that your employer had already obtained confirmation from the tax office that you would be given extrastatutory exemption from tax, by virtue of the extrastatutory concession SP1/81 (Nonstatutory redundancy payments). Oddly enough, this valuable concession is not published in the free booklet of extrastatutory concession (IR1 — with two supplements), obtainable from tax offices; a copy of SP1/81 can only be obtained by writing to the Inland Revenue Public Enquiry Room, Somerset House, Strand, London, WC2R 1LB.

2) No (because of the extrastatutory exemption from PAYE tax).

3) Yes, almost certainly.

4) Probably not.

Managing a portfolio

I AM a private investor living in the UK. My sister, who is a Malaysian citizen but a permanent resident in Singapore, would like me to manage her investment portfolio on a discretionary basis in the UK.

The portfolio may consist of shares, bonds, warrants, traded options and futures.

I will not be charging her any commission or fee. Will I be in any way affected by the Financial Services Act? Do I have to be a member of a self-regulatory organisation? Are there any legal tax problems which I need to be aware of?

■ If you act only for your sister (presumably under a power of attorney or as trustee) you will not be in breach of the Financial Services Act if you do not become a member of a self-regulatory organisation. We cannot tell whether there may be tax implications under the fiscal laws of Malaysia. If you act as a trustee, you may incur liability for Capital Gains Tax.

Costly roadworks

AFTER recent Department of Transport roadworks, the entrance to my garden has been ruined. The DoT has agreed to repair work and has asked for three estimates.

I am surprised at how much the estimates are. Can I force the DoT to pay the amount of the lowest tender even if I do not immediately or ever commission the work? If I never order the work might the DoT still pay the VAT the contractor would have charged?

It is a matter for negotiation between you and the DoT whether payment will be offered otherwise than on completion of the work. It is not likely that you will achieve such an arrangement — the alternative is for you to be paid the amount of the diminution in value of your property if the work is not done, which is likely to be far less.

David Ryland weighs arguments over the form of an innovative investment product

Unit trusts go into property

UNIT TRUSTS will soon be able to invest in property. The Securities and Investment Board is busy consulting how best authorised property unit trusts or "APUTS", as they will be called, can be established.

Previously, investment by authorised unit trusts in land and buildings was prohibited. Property is an illiquid investment subject to substantial and cyclical changes in value. In addition, valuing property is a subjective business.

APUTS will be subject to the beneficial treatment of authorised unit trusts which came into effect on January 1. They will therefore involve no further tax liability for individuals and other investors who pay tax at 25 per cent (such as life assurance companies).

An APUT can invest in properties and property related securities in member EC states and a number of other countries. To protect investors, a number of investment limitations will be imposed.

For example, no more than 80 per cent of the value of the fund may be invested in land and buildings or non-listed property securities. No more than 20 per cent of the gross rental income of the fund may be attributable to members of one group and no more than 25 per cent of the value of the fund may be invested in development properties or properties which are vacant. The fund must attain a value of £5m within 21 days.

The liquidity and spread of risk requirements must be satisfied by two years after the establishment of the fund, or, if earlier, six months after the fund has reached a value of £15m. The minimum frequency for pricing a unit will be one month and forward pricing will be mandatory. The manager will be entitled to operate a "box" — trade in its own units — but it is likely that the manager's ability to make box profits will be limited.

There has been considerable concern that the fund will not be able to meet the redemption requirements of its investors because of the illiquidity of property. To address this difficulty it is provided that:

■ The fund may invest up to 35 per cent of its value in government securities. In addition, it may hold cash or near cash where reasonably necessary.

■ The manager may refuse to issue new units which would result in one holder acquiring more than 10 per cent of the fund. This is intended to ensure that a single holder could not suddenly sell a significant proportion of the units in the fund. The regulation may be difficult to police since the purchaser could buy units in a nominee name.

■ The trustee is under a duty to request a suspension of dealings if it appears there is insufficient cash, near cash or transferable securities to meet the likely demand for redemption. This initial period of suspension will be one month but there is provision enabling this period to be extended.

The difficulties associated with redemption were illustrated by events affecting property unit trusts in Australia. An 180-day suspension in dealings was ordered, locking investors into the investment at the very time they wished to redeem. Similar problems have arisen in the Netherlands where dealings in Rodamco, the world's fourth largest property fund, were suspended following a fall in the market.

Commercial Union has announced its intention to establish an authorised property unit trust. It proposes to offer investors a guarantee that its property division will buy from the unit trust any properties which cannot be disposed of in the open market to meet redemption requirements.

Investor reaction will, inevitably, be cautious. It is unclear whether APUTS have been developed in response to market demand or in an attempt to stimulate new demand in the property sector. The failure of Property Income Certificates (PINCS) and similar unitised schemes illustrates the cultural differences between the property and equity worlds and the inherent conservatism of many property investors. The recent difficulties in the Netherlands and Australia will not encourage speculation.

Tax exempt pension funds have for some years been able to invest in unauthorised property unit trusts on a tax efficient basis, but these vehicles have not had a big impact on the market. The attitude of the non-institutional investors will therefore be important.

Concern has been expressed that the value of the units in APUTS will vary according to the general equity market with the consequence that the units will not offer the same rate of capital growth as direct property investment. Investors may also have reservations concerning the subjective nature of property valuation.

In spite of this, there are some positive factors. APUTS would provide the spread of risk which was missing with PINCS. They could also enable investors to convert part of their existing portfolios into a more liquid form and may dispose of properties that would otherwise be difficult to sell.

While the downturn in the property market does not provide the best climate for the establishment of a new vehicle of property investment, it has undeniably created buying opportunities for funds which have cash.

APUTS should also combine the benefits of a relatively high and secure income yield with a reasonable rate of capital growth and thereby provide an alternative to the low yield and high capital growth of equities and the high yield and nil capital growth of savings accounts.

■ *David Ryland is a partner in S J Berwin, the London firm of solicitors.*

DIRECTORS' TRANSACTIONS

JUST AS with the distribution companies, directors of the electricity generating companies have taken the opportunity to acquire stock in the offer for sale at £1. Apart from this, the only evidence of buying has been isolated transactions involving small amounts.

Sales remain substantial with the most sizeable being in Williams Holdings, which acquired Yale and Valor in March for shares. Messrs Montagu and Marson joined the Williams board from Yale and Valor and are selling all but 10,000 shares.

The deal in Tesco is important since directors of food retailers are still willing sellers. Although the sector is likely to enjoy further short term profits and margin growth, the outperformance relative to the market over the last three years has been significant. In spite of the underperformance recently shares are still relatively expensive.

Directors of Invergordon, the whisky distiller, and Debenham Tewson & Chinnocks, a firm of estate agents, have been selling, but the amounts are small both in value and in relation to their holdings.

Angus MacDonald
Directus Ltd

DIRECTORS' SHARE TRANSACTIONS IN THEIR OWN COMPANIES (LISTED & USM)

Company	Shares	Value	No of directors
SALES			
Applied Holographic	16,000	28	1
Bellway	8,000	21	1
Brasway	250,000	42	1
Brent Chemicals	14,000	21	1
BSG	50,000	27	1
BTR	63,000	280	1*
Cattle's Holdings	39,419	29	2
Clyde Petroleum	31,000	42	1
Cramphorn	500,000	535	1
Debenham, Tewson &C	38,250	43	4
Eurotherm Intl	9,278	24	1
First Leisure Corp	9,810	25	1
Geest	20,000	64	1
Grampian Holdings	25,000	41	2
Halstead (James)	10,000	28	1*
Inchcape	32,000	107	1*
Invergordon Distlrs	18,700	30	3
Johnston Press	16,000	32	3
Lloyds Abbey Life	14,450	62	1*
London & Clydeside	381,660	557	2
Mucklow (A.J.)	65,640	78	1
P & O (deferred)	8,001	48	1
Perkins Foods	120,000	180	1
Personal Assets Tst	160,600	77	1
Singer & Fried(cpf)	23,350	25	2
Tesco	31,505	88	1
Torday & Carlisle	50,000	75	1
Transport Developmt	15,000	39	1
Watmoughs Holdings	38,560	152	2
Weir Group	12,000	40	1
Williams Holdings	1,036,457	2,961	2
PURCHASES			
Clyde Blowers	10,000	24	1
Merchants Trust	15,400	32	2
National Power	34,834	35	10

Value expressed in £000s. Companies must notify the Stock Exchange within 5 working days of a share transaction by a director. This list contains all transactions, including the exercise of options (*) if 100% subsequently sold, with a value over £10,000. Information released by the Stock Exchange 2-5 April 1991
Source: Directus Ltd, Edinburgh

Nick Garnett meets a man who quit the rat race for a caravan in Cumbria and a life with relish

An ancient recipe for success

"A LOT of people thought I was mad to get out of the rat race and go into pickles."

For Patrick Green, the rat race included the peculiar combination of being a shop steward for the shop workers' union and local secretary of the Conservative party in Somerset.

Green is a former process worker with St Ivel Gold. In 1988 Green, his wife Josephine and his brother Richard decided to immerse themselves in the pickling business. More precisely, they aimed to make a living producing a wide range of pickles, chutneys, marmalades and preserves.

Since then Ancient Recipes, which produced 110,000 jars of the stuff last year, has shown there is a niche for such a business. But the company has still to show it can be a money-making venture. It has yet to overcome the biggest difficulty facing any small volume food maker. That is how to set up a cost-effective form of distribution. "We are still in a little bit of a quandary on that one," says Green.

Looking a little like a hang-over from the shoulder-length hair and duffle-coat days of the '60s, 43-year-old Green spent more than six months collecting some 200 recipes from libraries all over the UK and unpublished cookbooks. Some of the recipes are well over 100 years old.

Green realised straight away that the set-up costs would be much cheaper in the north than in the south. With the help of the Rural Development Commission, he found a small, new industrial unit at Longtown near Carlisle for a rent of £44 a week, fixed for three years. "At that time, it was about a quarter the cost of Somerset."

For unearthing recipes and starting the business, the company's financial nutrition was pretty meagre. Green could fork out £12,000 of his own, obtained by selling a house and buying a residential caravan. There was a bank overdraft facility of £3,000. Equipment, including sterilisers, an eight-ring gas cooker and an industrial food processor cost about £5,000. Of that, the cooker, a piece of "dusty junk" found in an old cafe on the A6 trunk road, cost just £100.

One of the main problems was foraging for ingredients. Ancient Recipes makes 21 pungent pickles, chutneys and aromatic preserves, from honeyed onions and devilled eggs to Bombay banana chutney and Tudor lemon marmalade. It buys fresh or dried provisions which must be additive-free. A key ingredient is vinegar. "Some companies soak onions in hydrochloric acid to raise acidity and allow them to use cheap vinegar." Green contacted the research department at Sarson's, the vinegar makers. "We told them we wanted an old-fashioned vinegar without any caramel colouring nor added salt. They came up with a recipe for a really old-fashioned brewed vinegar which is just what we want."

A pretty pickle: Patrick and Richard Green with samples of their traditional products — Trevor Humphries

This arrives in a 250-gallon plastic container and to it Ancient Recipes adds an array of other things including tarragon and bay leaves, celery seeds and chilli pepper.

Supplies of fruit and vegetables were found locally, they come mainly from local wholesalers who buy at Liverpool and Newcastle docks. Glass makers were able to supply standard round jars at 12p each in quantities of about 2,500. "We have alternative suppliers for most things so that we can always get the amount of provisions we require."

Ingredients soak up 13 per cent of turnover and packaging 16 per cent. Labour is the biggest cost at 18 per cent. This includes an ex-army cook and two part-time helpers.

The overall cost of getting Ancient Recipes up and running was about £26,000. It made a loss of £12,000 in its first year and a profit of the same amount last year. Though the Greens have taken to the business with relish, this profit together with a £50 weekly wage has given the three of them so far a frugal living.

Green readily concedes the company has made mistakes. "In the beginning we ordered too many onions, couldn't use them fast enough and simply wasted a lot." The company still has £10,000 of stock of various kinds including jams made from the medlar fruit whose blandness the public did not take to. "You also have to wait until the fruit is virtually rotten. It was very messy."

But it is with marketing that ventures such as Ancient Recipes find themselves in a stew. Selling its products at an average of £1.50 a jar, the company earns half its turnover from direct sales to the public on the weekend craft show circuit, the company's victuals hauled by Ancient Recipe's own van. Such events dish out around £1,000 to £2,000 each in direct cash to the company which has 48 shows (from Gatcombe Park to London's Barbican) at which it plans to sell this year.

The company supplies some shops in the north, has a mail order service and recently appointed a wholesaler in Scotland to research marketing possibilities. "The biggest cost factor though limiting the retail market for us is the cost of distribution," Green says. "There are plenty of outlets but it is not viable to deliver a couple of cases of onions to London. We could set up four hundred accounts in London in no time but we could not serve them profitably."

Green thinks the most likely route out of this particular pickle is for small Cumbrian food makers to band together and offer a delivery package of different foods. Talks on this are going on.

"Our production methods have improved a great deal over the past year," says Green. "We certainly like to think we can expand. It is just this headache of distribution that has to be sorted out."

■ *Ancient Recipes, Unit 3C, Longtown Industrial Estate, Longtown, Carlisle CA6 5TJ. Tel: 0228-792062.*

The better debtor's guide

Hard times force small companies to look carefully at finance. **Jane Bradford** offers some advice

DIFFICULT trading conditions always turn the spotlight on finance, whether for starting up, expansion or simply survival. This is true for any size of business, but the owner-manager may find it difficult to select the type of finance most appropriate to his needs.

The first question is how much external finance can the typical business expect to raise? Every business has to be assessed individually, but in practical terms, it becomes progressively more difficult to obtain finance where the debt to equity ratio approaches 1:1. It serves no-one's interest for the bank manager to lend more than the business can reasonably be expected to repay.

So, consider first (preferably with your accountant) whether the capital structure of your business can be improved. It may make little sense to hold all personal savings outside the business if a cash injection is required. Alternatively, relatives or friends may be prepared to invest in exchange for a share in future profits. Some businesses with high growth potential may also be able to raise equity from banks and similar sources. For example, NatWest offers loans convertible for equity in amounts from £25,000 (£5,000 for technology based businesses).

Trade credit is another valuable, but frequently badly managed, source of finance. Many suppliers are willing to defer payment for one or two months and some large retailers finance themselves almost exclusively in this way. But make sure you keep to the terms agreed – invoices must be paid on the due date or credit will quickly be withdrawn, forcing you back on more expensive forms of borrowing.

Conversely every business must exercise firm control over credit given to customers. This means setting a limit on how much credit is allowed to individual concerns, keeping a record of who owes money, how much and how long it has been outstanding. The longer a customer takes to pay the more it costs: tying up working capital and incurring interest.

For the majority, however, there is no alternative but to meet the bulk of finance requirement from bank borrowing. UK banks are lending in excess of £40bn to small companies, more than 90 per cent of all external support.

The overdraft is the most widely used form of finance and is certainly the most flexible because it is designed to meet day to day working capital needs, bridging the gap between payments (for supplies, wages etc) pending receipt of sales income. It is also cheap because interest is calculated only on the daily balance borrowed.

Term borrowing, by way of loan, is better suited to the finance of fixed assets, such as premises, vehicles and equipment. Repayment will normally be agreed on a monthly basis over a period geared to the life of the asset concerned. The finance of large asset purchases on overdraft is generally discouraged because this can compromise the essential discipline of a defined repayment programme.

If flexibility is required, loans can be tailored to meet individual circumstances, for example with repayments scheduled to meet seasonal income flows or with capital reductions deferred until the asset financed is fully generating income. You will normally be required to make a contribution towards the cost of the asset involved. Interest can be fixed for the term of the loan at the outset or linked to the base rate. Expect to pay a slightly higher rate than for overdrafts but remember that many loan schemes involve only a once and for all arrangement fee.

New businesses with insufficient track records or security to obtain a conventional bank loan may be offered funds under the Loan Guarantee Scheme, underwritten by the Employment Department but operated by the banks. The government guarantees 70 per cent of loans up to £100,000 in exchange for a premium of 2½ per cent per annum in addition to the usual interest charge. Such funds are normally lent as part of a package including conventional finance.

Two other popular types of small business finance are hire purchase (also known as lease purchase) and leasing. In the case of hire purchase the asset remains the property of the finance company until the final payment is made although capital allowances can still be claimed for tax purposes. The loan is thus effectively self-secured and may therefore be easier to obtain but will normally cost more than straightforward bank borrowing.

Under a lease purchase contract the asset remains the property of the finance company throughout and must normally be returned when the contract expires. The finance company uses the capital allowances itself and passes on the benefits by way of a reduced charge. This method is thus particularly suitable for businesses generating insufficient taxable profits to absorb the capital allowances them selves.

The careful and considered structuring of a small company's finances can make a significant difference to its performance. The foregoing demonstrates the wide range of options available and the advantages of each.

But look before you leap. Your bank manager or accountant will be able to fill in the fine detail and make the necessary recommendations. And remember that most of these services are available from all high street banks. So make good use of your local manager and keep him closely advised of your position, particularly during these difficult times. You are likely to receive a more helpful response if you warn your bank of problems ahead rather than asking them to help you out of a crisis you have known about for some time.

■ *Jane Bradford is head of small business services at National Westminster Bank.*

MINDING YOUR OWN BUSINESS

PRIVATE SHARE PLACEMENT MARKETS

A 2 hour conference program presented by US speakers will be televised from New York to a London Hotel on Monday 22 April 6pm - 8pm titled "Private Share Placement Markets in the USA". Conference emphasis on opportunities for UK and European companies to raise corporate funds in the USA for buy-outs, refinancings and others purposes.

For Registration contact
Satellite Conferences Canada
on Fax Int. + 604 926 0744 or Tel. Int. 604 926 1155

INVESTMENT/DEVELOPMENT OPPORTUNITY ALGARVE - PORTUGAL

A unique opportunity to Invest in the purchase of prime development land in one of the last undeveloped coastal positions adjacent to Vilamoura in the Algarve.

Planning and building permission has already been obtained for a luxury development of 50 villas with restaurant and shop complex, overlooking the ocean and beach.

For further information, please contact BRYAN AUKETT of Clarke-Walker, Chartered Accountants.
Telephone: (0273) 820920 Fax: (0273) 723514.

QUALITY STEEL EX-STOCK FOR MIDDLE EAST

- Weekly sailings
- All Carbon & Stainless steels available
- Any Quantity. Standard lengths or processed
- Computerised Export Documentation
- Our teams await your call
- Ten years project experience in servicing the Middle East market

Write to Box H8348, Financial Times, One Southwark Bridge, London SE1 9HL.

Tel: 021 553 7007 Fax: 021 553 7918

HGV FRANCHISED DISTRIBUTOR

Premium HGV Manufacturer seeks investors willing to acquire established Distributor. Equity resources required circ. £150,000.
Participation in management would be preferred.

Please reply with details of industry experience to

Box H8440, Financial Times, One Southwark Bridge, London SE1 9HL

LONG ESTABLISHED COMPANY, LONDON BASED, SEEKS PARTNER FOR JOINT VENTURE/MERGER PROPOSITION

£2 million capital available
Sound administrative and distributive infrastructure and extensive connections into retail and wholesale markets.
Please Write Box H8390 Financial Times, One Southwark Bridge, London SE1 9HL.

RETIRED CHAIRMAN/ CHIEF EXECUTIVE

of listed PLC, mature energetic stable, seeks challenging part time position of responsiblity.
Equity stake considered.
Write Box P9705, Financial Times, One Southwark Bridge, LONDON, SE1 9HL

MERGERS AND ACQUISITIONS DAILY NEWS SHEET

An indispensible daily summary for the M&A specialist.
For details please ring: 071 706 1775

READERS ARE RECOMMENDED TO SEEK APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

BUSINESS SERVICES

DO YOU HAVE REAL FINANCIAL PROBLEMS OR SIMPLY LACK FINANCIAL EXPERTISE?

In the present economic climate skilled guidance at Board level will provide the answer at a fraction of the cost of a full time Financial Director.
Highly experienced industry based Chartered Accountant (Midlands located) is available to help on an ongoing basis.

Write to Box H8439, Financial Times, One Southwark Bridge, London SE1 9HL.

MEDICAL EQPT Surplus recond./ re-furb. Eqpt. All types. X-Ray-Scans, Ultra - Sound, Cardio - Vas, Dental,Surgical, Disposables from A-Z. We can supply any present or future needs, entire hospital to indv. Physicians clinical needs. Largest active inventory in USA for export. Absolutely lowest pricing. Mr Marsh. USA Tel 504 361 8991. Fax: 504 362 7858.

MICRO-BIOLOGICAL, bio-mass engineering specialized microbes for wastewater, effluents, hazardous & toxic hydrocarbons, pet. spills & refinery sulphur degrading. Also have enclosed or aerial smoke removal. Highest state of art. Info. Mr. Marsh US Tel 504 361 8991. Fax 504 362 7858.

BUSINESSES FOR SALE

Trade Debtors With Associated Liabilities For Sale

For further information please contact
Sara Thompson,
Stoy Hayward, Bristol.
Telephone: 0272 237000 Fax: 0272 732741.
Authorised by The Institute of Chartered Accountants in England & Wales to carry on investment business.

BUSINESS WANTED

BUSINESS WANTED

Private Nursing Home Group wishing to expand is looking to acquire other UK nursing home groups with capacity of 100 beds or more. All replies treated in strict confidence.
Write Box H8438, Financial Times, One Southwark Bridge, LONDON, SE1 9HL.

Wanted

Telephone Companies
with or without
BSI approval
Reply to Box No: H8407
Financial Times, One
Southwark Bridge,
London SE1 9HL

AIRCRAFT FOR SALE

1982 LearJet 55-L55-071 N155JC

Overall white with silver and blue stripes
Interior Grey leather and cloth seats
Light grey and cream sidewalls
Grey carpet and maple woodwork
NDH AC On MSP
MUCH much more
Contact: Terry Saylor
Cole National Corporation
216 289 1378

PERSONAL

Mr P G Highland and Miss K M Boyd

The engagement is announced between Peter, son of Mr & Mrs George Highland of Gateside, Fife, and Kerstin Margaret, daughter of the late Mr Ronald Boyd and Mrs Jane Rhiain Boyd of Oxted, Surrey.

AUTHORS Your book published. Details: Excalibur Press of London, 13 Knightsbridge Green, London, SW1X 7QL.

EDUCATION/ TRAINING

FRENCH TUITION AT YOUR OFFICE

by native qualified
(Lès LMIL) experienced
teacher.
Tel: 081 209 1763

CLUBS

EVE has outlived others due to policy of fair play and value for money. Supper from 10-3.30 am. Glamorous hostesses, exciting cabaret. 189 Regent St, W1. 071-734 0557

FRANCHISING

The FT proposes to publish this survey on 4th May 1991.
In addition to those businesses seeking to expand through franchising this survey will be of particular interest to many FT readers considering starting their own business. To advertise your opportunity or related service to this audience, please contact Gavin Bishop on 071 873 4874 or fax 071 873 3064.

FT SURVEYS

BUSINESS SOFTWARE

To advertise in this section please telephone 071-873 3580/071-407 5752 or write to Mark Hall-Smith at the Financial Times, One Southwark Bridge, London SE1 9HL or Fax: 071-873 3079

OPTIONS TRADERS

take some of the guesswork out of your trading by using our powerful software package. Automatic Historical Volatility and Expiry Dates, dozens of "Fair Values" in seconds, up to 100 companies stored. All UK Equity options updated ready for use. FREE DETAILS.
ChartSoft Limited
Manorcroft House, 2 Deer Leap, Lightwater, Surrey GU18 5PF
Tel: 0276 72941

SHIPPING AGENCY PACKAGE

PC based system developed and in use by established Shipping Agency Manifest, Revenue and Container Control Special Container cost and Tracking System with Natural Budgeting effect.
MORCO PORT SERVICES LTD. CYPRUS
Fax (00357) 02 459361
Tel (00357) 02 459456

FREE WITH SURVEY & QUESTIONNAIRE SOFTWARE for PCs

If you design questionnaires and conduct surveys, SURVEY ITI is for you. At £495 it's a terrific performer. And if you take out our annual £95 Support/Maintenance Agreement we also give you FREE, a great graphics screen capture package, Graph-in-the-Box worth £125. To all prices, add vat.
Details & demo diskette
UniLogic Limited
2 Castle Street, Salisbury
Wiltshire SP1 1BB
Tel 0722 333116

BUSINESS PLAN on LOTUS 123

Save 200 hours of programming frustration with "MBA Business Plan V.2". Choice of two plans for manufacturing or trading businesses. Used in 25 countries on Lotus, Excel, Supercalc 5 etc. A slim guide enables completion of your business plan in one day. "Best business plan I've ever seen" remarks one corporate banker.
Price £149 + VAT
Send or fax for free information pack.
Adaytum Systems,
19 Royal York Cres, Bristol BS8 4JZ
Tel: 0272 737 442 Fax: 0272 466896

EYE SPY DATA CAPTURE

EYE SPY DATA CAPTURE is a powerful computer package that enables the users of Market-Eye to capture on disk or print the financial data from Market Eye in the form that is most appropriate to your needs.
EYE SPY MARKET SYSTEMS
1st Floor, 17 Splott Road,
Cardiff, CF2 2BU, Tel: 0222-473585
Fax: 0222-481779

ASTRONOMICS DOES IT AGAIN!!!!

On January 15th the FTSE began a meteoric climb to record highs. Astronomics made a prediction that the market would turn within 5 days of March 16th. At midday on March 15th the FTSE hit 2520 and immediately plunged. Get the benefits of Astronomics from only £55. Phone/write for details of Handbook and software.
Astronomics,
Freepost, Hallmark House, 97 East St Epsom, Surrey KT17 1BR.
0372 741380 seven days a week.

1-2-3- TAKEOVER

Analyse the financial health of any company. Demonstrate its commercial and financial strengths. Develop an acquisition/plan. Price £109.25 (includes VAT) IBM/compatibles. Clear manual. Disk size?
PLIMSOLL PUBLISHING LIMITED,
THE VANGUARD SUITE,
BROADCASTING HOUSE,
MIDDLESBROUGH, TS1 5JA.
Tel (0642) 230077.
Fax (0642) 243900.

BUY OR SELL?

INDEXIA Research, a household name for top quality technical analysis software provides expert help with INDEXIA II, INTRO, OPTION TRADER and MOVING AVERAGE MANAGER. Superbly presented, easy to use, comprehensive manuals, an outstanding range of indicators (including our well known "INDEXIA FILTERS"). In addition we offer educational workshops and free hotline support. Phone 0932-220349 or Fax 0932-242344 or write to:
INDEXIA Research, 18 Riverbank, Walton-on-Thames, Surrey (UK) KT12 2PR

BIG MAILING TO DO?

Take advantage of Royal Mail's new MailSort bulk mail discount scheme (up to 25% discount on stamps) with Southdata fantastically fast, easy to use software package. Ask us for a PC Demo disk. Running on MS-DOS and LANs, Xenix, Unix V and VMS.
Southdata Ltd, Voysey House, London W4 4PT, 081-995-7627/7967/9168

BEST VALUE IN THE MARKET?

Our Technical Analysis Software offers all the important features of packages costing over twice as much. Prices start at £399 + VAT for GANN ANALYST/TT1. It also features techniques rarely found elsewhere, like the ability to read many different data formats. All purchasers have access to FREE data and there is a 30 day MONEY BACK GUARANTEE. We also offer trading seminars and newsletters services.
Contact: John Piper,
The Technical Trader,
Freepost, York YO1 1WA.
Tel: UK 0904 639407. Fax: 612720.

FINANCIAL CONSULTANTS

Save time and money building cash flows, P&Ls, budgets etc by using software specifically designed for the job. Intelligent Financial Advisor is menu driven, simple and complete, no other software is required. We also market a wide range of computer based training software from SSAPs to Finance for non Finance Managers through to Interviewing Skills. Courses start from as little as £35. For more information ring Steve Cousins:
ITS SOFTWARE
Tel 071 836 4224 Fax 071 537 7682

THE GENIE CHARTIST

Did you detect the bottom of the current bull market? The Genie Chartist did. Signals that do not lag are essential for trading the stock market. Genie will give you these automatically. No multiple choices. Analysing any data with a high, low, close, volume. The program is tracked by an expert analyst, tracking the leading edge of the stock-market, with comments and info on the program's performance.
For full info call
Genie Software 0273 771886

PLAN FOR YOUR SUCCESS using the comprehensive ABP APPLIED BUSINESS PLAN

Successful businesses need careful planning, control and constant monitoring. The Applied Business Plan is a most comprehensive planning and monitoring programme now available. It can run under Lotus, Excel, SuperCalc or Multiplan. Written by businessmen and accountants, ABP covers all aspects of a business: Sales, Costs, P&L, Balance Sheets, Cashflow, VAT & much more. See below for details

APPLIED BUSINESS PLAN on LOTUS 123, SUPERCALC, EXCEL or MULTIPLAN

Multitude of features include:
- Five year interactive plan with 1st year in months, 2nd in qrts etc.
- Customized menus with prompts
- Global & seasonal what-if facility
- 85 page comprehensive manual
- Sophisticated yet V. user friendly

Price £125+VAT. For info pack call:
Brenda or Christine on 0225 337392
Applied Business Software Ltd
Queen Anne Hse, Charlotte Street, Bath Avon BA1 2NE / Fax: 0225 311362

BANKING SYSTEMS

"Technically advanced"
"User friendly"
"Delivered on time"
"To specification"
"Within budget"
One of the three largest building societies' comments.
Multi Currency
Multi Lingual
John Ormond, Central Software
Tel: 0624 824967, Fax: 0624 629763

TECHNICAL ANALYST

Six window graphics, optimisation, advanced scanning auto stop systems, comprehensive gann, 12 ma's, 12 momentum indicators, batch processing/printing, and a whole lot more.
The world's most powerful, easy to use and comprehensive technical analysis programme. Give us a call for a demo in London or Luton at the Synergy headquarters.
Synergy Software (0582) 424282

WHICH?

Which company in the UK was the first with Teletext auto-updating on a PC? Which company has the International Stock Exchange chosen for their options analysis software, has the most powerful overall Technical Analysis package in the world in terms of facilities, and has over 8000 users in 45 countries?
For friendly, professional advice, why not call Synergy Software (0582) 424282 (Northern Office: 061 428 1069)

TAKE ANY FLOPPY DISK... AND IMPORT THE DATA INTO YOUR COMPUTER.

Better yet - convert the data into a format that will appeal to your application software. Over 2,000 different disk formats from which to choose: 3", 3½", 5¼" and 8". Also magnetic tape and data cartridges. InterMedia supplies and data conversion systems as well as conversion bureaux services in Lewes, Manchester and Cheltenham.
Telephone or fax for free information to: InterMedia Graphic Systems Limited. Tel: 0273 478725 Fax: 0273 471666.

FAIRSHARES WATCHDOG GRAPHICS ANALYIS

provides one of the most cost-effective ways of monitoring the stockmarket. Put your own trend lines and notes on graphs. All lines saved and rescaled on future displays. New split screen facility, macros and on-line help. Supports super VGA (800 x 600). Demo disk £5 (state size). Full package just £199 (inc VAT) from
Green Acres Software, Hook Road, Ampfield, Romsey, Hants. SO51 9DB
Tel: (0703) 253741.

PRODUCTION CONTROL SYSTEM & CUSTOMER DATABASE FOR PRINTERS

Simple & proficient System enabling you to automate the control of your printing jobs from quotation through to delivery. User friendly at all levels. This comprehensive System includes FULL JOB PROCESS TRACKING, FULL CLIENT & JOB DETAILS ETC. WITH TRAINING & SUPPORT.
For further details please contact
STB Computing Limited
Tel No: 0272 282204
Fax No: 0272 226831

JOB CONTROL TIME MANAGEMENT V.2

Improve your cash flow and efficiency by at least 50%. The comprehensive Management System for anybody. Includes CLIENT, STAFF & JOB DETAILS, CASH BOOK, INVOICE GENERATOR, TIMESHEETS & EXPENSE RECORDS.
"Paid for itself times over" remarks a Consulting Engineer.
Price from £195.00 + VAT.
For further details please contact
STB Computing Limited
Tel No: 0272 282204
Fax No: 0272 226831

PC SOFTWARE THAT WORKS!

Can't find the right software package for your company? Exceptional value for customised systems for all your business needs. Software tailored to company's individual requirements and specification, all applications catered for. For further details or to discuss your requirements please contact:
G M Computing
345 Foleshill Road
Coventry CV6 5AH
Tel: (0203) 638436
Fax: (0203) 638285

IMPORTANT ANNOUNCEMENT

"The FT Computer Software and Services Review"

The first of our regular quarterly supplements will be published on June 14th.

To advertise in this specialist software medium, contact:

Mark Hall-Smith
071 407 5752
or
Wai-Fung Cheung
071 407 5758

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

LEGAL NOTICE

No. 002970 of 1991
IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION
IN THE MATTER OF: SELECT INDUSTRIES PLC
- and -
IN THE MATTER OF: THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Petition was on the 14th March, 1991 presented to Her Majesty's High Court of Justice for the confirmation of the reduction of capital of the above-named Company from £70,000,000 to £5,917,649.60 AND NOTICE IS FURTHER GIVEN that the said Petition is directed to be heard before the Honourable Mr. Justice Mervyn Davies at the Royal Courts of Justice Strand London WC2A 2LL on Monday 22nd April 1991.

Any Creditor or Shareholder of the said Company desiring to oppose the making of an Order for the confirmation of the said reduction of Capital should appear at the time of hearing in person or by Counsel for that purpose.

A copy of the said Petition will be furnished to any such person requiring the same by the undermentioned Solicitors on payment of the regulated charge for the same.

Dated this 13th day of April 1991.

Messrs Macfarlanes
10 Norwich Street,
London EC4A 1BD
(Ref: TJRO)
Solicitors for the above-named Company

هكذا من الأصل

How Harlem is shuffling towards extinction

IT IS A sunny Sunday morning on 116th Street, Harlem, New York, and gleaming Toyotas and Chevrolets sit three abreast outside the Canaan Baptist Church, disgorging women in floral dresses, teetering high heels and veiled pill-box hats covered in feathers. There are license plates from New Jersey and Connecticut.

The man the people have come to Harlem to hear is the Reverend Wyatt Tee Walker. A phalanx of black-suited men stands guard in front of the altar and an old woman hands out fruit drops. The reverend, a greying man who served as Martin Luther King Jr's chief-of-staff, leads the three hours of clapping and singing and addresses his flock, speaking with sadness about the father of a choir member who had been stabbed to death that week.

Opposite the oasis of Canaan stand rows of blackened, crumbling, empty apartment buildings. As men and women gaily emerge from churches all over Harlem, gangs of young men stand idly on street corners. The contrast between Harlem past and present, the myth versus the reality, has never been greater.

Nevertheless, churchgoers make the pilgrimage each Sunday, reaffirming their links with the place they still regard as the symbolic capital of black America – home of the Apollo Theatre, of the Cotton Club and Duke Ellington, of the Black Panthers and Malcolm X. But they choose not to live there.

In the 1920s, blacks from the rural south were lured to Harlem in unprecedented numbers, creating an unsupportable burden in a city that offered a paucity of unskilled jobs. Yet even in the hey-day of jazz there was something bogus about Harlem's exhilaration. Beneath the hype, Harlem was collapsing economically and has since been slouching towards extinction.

"To go to Harlem was always scary, exciting, sensual. There was also a tinge of danger but it was incredible," says Fred Beauford, a black journalist and editor brought up across the Harlem river in the south Bronx. "There is nothing there now. Harlem is a ghost town."

The population has dropped by a third as first whites and then middle-class blacks armed with desegregation laws fled, leaving block after block of abandoned buildings. Few people in Harlem owned their homes, making the area vulnerable to real estate interests. During the 1970s, per capita income in central Harlem rose by 78 per cent, around 20 per cent below the rate of inflation for the decade, but rents jumped by 113 per cent.

Mean streets: pit bulls and gangs of black youths haunt the Harlem ghettoes — Magnum Photos

Poverty bred the familiar social problems and diseases, from heroin in the 1950s to crack and AIDS in the 1980s, but the exodus from Harlem has left it with no middle-class to provide a moral ballast. Relatively well-to-do blacks moved to places like Brooklyn and Queens where many bought homes and set up small businesses. Aggressively aspiring Caribbean blacks arrived in droves, giving a fresh texture and richness to parts of Brooklyn, which is now regarded as the political centre of black New York.

Brooklyn may be dangerous, but it is vibrant. Harlem is a wasteland. It is an inchoate mass of extremely poor people, many of them drug addicts who have been out of the workforce for years. Leonard Lambert, a therapist at Harlem hospital, talks about his friend Steve. "It got to the point where we had to choose high schools. I went to a serious one and Steve went to one which let you fool around a little," he said. "I heard he died of an overdose in his early 20s."

Leonard was brought up in Harlem in a large, church-going family. He went away and then returned because he wanted to serve the community. There are many others. Ruby Saake was brought up by foster parents in Long Island but now lives in Harlem and works for Inroads, a group that places young people in companies for job training. Before that she worked with youngsters at the Upward Fund which provides after-school activities at a public school in Spanish Harlem. It is financed and organised by professional blacks. Many of them, however, believe they are fighting a losing battle.

As Harlem's population dwindled, another, more sinister element to its abandonment became apparent – white real estate developers, supported by Wall Street financiers, backing gentrification projects around Harlem's periphery. One development is ominously called the Gateway Project.

The Reverend Calvin Butts, the latest in a long line of radical preachers at the Abyssinian Baptist Church, says that these white downtown interests regard Harlem as the "bedroom of Manhattan" and are quietly moving in, capitalising on years of malignant neglect by the city government.

Black residents, suspicious of gentrification, believe that the city has conspired with real estate developers in allowing Harlem to fall into disrepair, so priming it for takeover. If the streets are not policed, if buses and subways do not run, if water mains break and are not repaired, people, it is hoped, will move out.

Mayor Edward Koch's 1982 strategy for redeveloping Harlem aimed for economic integration, social balance and limited gentrification, as well as protection for residents. Few believe such commitment still exists. Neil Smith and Richard Schaffer, professors at Rutgers and Columbia Universities, say that in Harlem, economic integration means bringing in rich people and social balance means an influx of whites.

"There are a lot of good folks here who wouldn't want to live anywhere else," said the redoubtable Elaine Marius, who runs the Central Harlem Senior Citizens Coalition with an iron fist and enormous energy. "Ten years from now, Harlem will not be an African-American community but it won't be white either. Only the Japanese and the Arabs will be able to afford it."

Reverend Butts says that the fight against gentrification is regarded as Harlem's last stand. These are brave words, but Harlem has little to retaliate with and its chances have not materially improved with the election of David Dinkins as mayor of New York.

Dinkins, whose political roots are in Manhattan, promptly appointed Felix Rohatyn, the investment banker from Lazard Freres credited with saving the city from bankruptcy in the 1970s, as one of his economic advisers, which provoked cries of disloyalty in Harlem.

Many in Harlem believe that the political mainstream has failed them. There are some bright young hopes being elected to the city council but otherwise Harlem is represented by a concoction of media-hungry types and preachers. Despite evident dissatisfaction in the black community, there is scarcely any organised dissent. If politics has failed, so has economic progress. Harlem has few black-owned businesses, and they are all small. Blacks are excluded from many trades.

Sitting behind his huge wooden desk, Reverend Butts is clearly a figure of symbolic importance, but has no definite answers.

"I know the end of the story," he claims. "There is a moment of crucifixion and a resurrection. We have been lying in the grave for a long time but are beginning to stir."

Secular activists such as Jim Haughton, who runs a direct action group, do not think that the fire of black preachers is enough to mobilise Harlem now. "Harlem will fight but people don't see the invisible government – people like the Rockefellers and Trumps who run things," he says. "Nothing short of a revolution to change the political structure of New York is needed."

Janet Bush

The man who calls the tune at Piper-Heidsieck

THE HEAD of Moët & Chandon, the dominant champagne house, is a Champenois and local mayor called Yves Bénard. Laurent Perrier champagne is run by Bernard de Nonancourt and Vicomte Bernard de la Giraudière. Pol Roger is run by Christian de Billy and his cousin Christian Pol-Roger. Typically, their relationship to the Champagne region is such that their blood probably fizzes rather than flows.

The head of Charles Heidsieck, and now Piper-Heidsieck, is Englishman Trevor Bell, 33, whose obsession is Sheffield United and whose French was practically non-existent two years ago.

To understand quite how extraordinary this is it is necessary to understand something of the privileged and cloistered world of the champagne producers clustered around Rheims and Epernay in northern France. Champagne is important to France – her most valuable wine export, in fact – but the sociétés of Champagne are run according to some of the most rigid unwritten rules of any business community.

Although there has been a recent relaxation, the market in champagne grapes and wine is still most tightly regulated and codified.

Growers and houses know their very distinct places, and the ranks of houses, among which intermarriage has been common for centuries, are permanently closed in the interests of mutual co-operation. If a member of champagne house X makes the slightest disparaging remark about champagne house Y, Monsieur Y will write to Monsieur X kindly bringing to his attention the fact that he has clearly been misquoted as saying such-and-such about house Y, and adding that he looks forward very much to having M et Mme X to dinner in the near future.

Inter-house comparisons are frowned upon and no Champenois would dream of using, say, the results of the comparative tastings of which the wine press is so fond, however complimentary, in any promotional literature. (The literature tends to concentrate instead on unbroken genealogical lines, photographs of artfully-lit cellars hewn out of chalk and rather a lot of gold.)

Into this world Aston business studies graduate Bell was promoted in January 1989, via nine days chez Berlitz, from British marketing director of the Rémy Martin brandy group that owns Charles Heidsieck and Piper-Heidsieck, being formally appointed managing director in May last year. Before that he cut his marketing teeth on very different bubbles (of *Fairy Liquid*) with Procter & Gamble, and worked for Jacobs-Suchard and Danone in West Germany and the mamillary Playtex group.

Thus he claims he has swapped "Do you know, I can never get a bra to fit me?" for "I suppose you spend all day awash with champagne?" as most commonly encountered social gambit.

Most people might find it easier to respond to the second, but Bell is a chipper, extrovert Yorkshireman who is never short of a word on any subject, even in the heavily-accented French he has insisted on speaking ever since he, his wife and golden retriever moved to Rheims. "I try to have two alcohol-free days a week, and I must admit that when I'm travelling, in the US say, and I have to go to Michelin-starred restaurants morning, noon and night, I do find it a relief to sneak off for a hamburger and, especially, a cold beer."

He claims to feel perfectly at ease in Champagne, thanks to liberal use of British self-deprecating humour. "Yes, the society is quite closed and an awful lot happens behind the scenes, but I would say any reservations anyone may have are because I'm not Champenois, not because I'm not French. In fact I think it's helped being English because there's strong acknowledgement of the role played by the UK, the top export market, in promoting champagne."

He well remembers his first-ever trip to the region. Via the Rémy connection, the two Heidsieck houses are sisters of the fanatically-run family house of Krug. It fell to the intense younger brother Rémi Krug to indoctrinate the Englishman. "I spent two days at Krug, learning exactly how and why it surpassed everything else in the universe. Then finally over lunch Rémi said: "I think we've talked enough about Krug now. Let's talk about you. Do you like Krug?""

Trevor Bell: an Englishman at ease in Champagne — Tony Andrews

The Krug connection has been invaluable in reviving the fortunes of Charles Heidsieck. In 1985, when Rémy Martin bought the house from the powerful grower Joseph Henriot, the all-important non-vintage blend was a callow, lacklustre wine that sold at the bottom end of the market for around £8.99 in Britain. While Bell was still immersed in his D-cups, the decision was taken dramatically to upgrade the quality, image and price of Charles Heidsieck NV.

The winemaking skills (and possibly copious reserves of older wines) of Henri Krug, Rémi's older brother, are said to have played a crucial role in allowing Charles Heidsieck's cellarmaster Daniel Thibault the resources to launch a truly superior NV in spring 1988. The time lag between decision and launch alone signified seriousness of intent, allowing the blend far more than the legal minimum ageing time and Bell swears that the proportion of mellow reserve wines used in the non-vintage blend, one of the most telling indices of champagne an exceptional 40 per cent, though he spoils the claim slightly by adding "and that's an actual, true figure."

If it is, and Charles Heidsieck is certainly one of those non-vintage champagnes that most impresses this palate, then it justifies the price Bell now wants for his NV, around £18 a bottle, "about the Veuve Clicquot level" – but then Clicquot has had decades, not three years, to earn the respect of merchants and consumers.

Evidence that some wine retailers have yet to fall under the Bell spell is that Majestic Wine Warehouses were about to discount their stocks of Charles Heidsieck from £17.99 to a bargain £13.99 last month, until Rémy Martin UK reclaimed the lot.

Piper-Heidsieck, a more mass market house that, outside French supermarkets, is strongest in the US, Italy and Germany, was acquired by the group in 1988 and is now run by Bell alongside the other Heidsieck house in true Procter & Gamble fashion. (Seagram, confusingly, owns the third and smallest offshoot of what was until 1834 a single house, Heidsieck Monopole.) Having negotiated a mutually useful deal with the Jacquart champagne growers' co-operative and dispensed with Piper's commercially inconvenient house practice of suppressing the second, mellowing fermentation, Bell's next job is to rev up Piper's British performance, perhaps tenfold.

So, has he fallen irrevocably in love with the product the way that such a high proportion of those who work in the wine trade, sometimes dangerously, have? "No. I have to say that on a purely business level I got as much kick out of Playtex as out of champagne. That sounds like a song, doesn't it?"

Jancis Robinson

Appetisers

Family feasts: Now that everybody is a trifle bored with *recherchè* little bits of this and that and *cuisine de grandmère* is once again on the menu, some of us might need reminding how it is done.

Mireille Johnston sets the tastebuds alight with an evocative selection of traditional French country recipes in *The French Family Feast* (£9.99, Penguin) – *soupe au pistou, aioli monstre, bouillabaisse royale, brandade, cassoulet*, and much more. She sees each grand dish as the centrepiece of a feast for which she gives the masterplan. Almost as reviving as a trip to Provence. *LdP*

□ □ □

Souped up: For those who love home-made soup but somehow never get around to making it the New Covent Garden Soup Company is the answer to their prayers.

It started in a small way with just a few standard soups – carrot and coriander, vichyssoise and chicken – but now there are normally 12 to choose from. To keep you from palate boredom a special is introduced every month. This month's soup is a winner – white bean with tomato and sage – but you only have until April 22 to enjoy its authentic, pungent, peasant flavour. After that you will have to look for spicy tomato with chilli peppers instead.

Prices range from £1.29 to £1.49. Find them in Safeway, Tesco, Waitrose, Asda, Gateway and many independent delicatessens. *LdP*

□ □ □

Hot news: Nicholas Woodsworth's article on cooking a real Texan *chilli con carne* has provoked some fiery correspondence. Nicholas has won the ultimate seal of approval for his story though – honorary lifetime membership of the Chili Appreciation Society International. If you are interested in joining write to: George Haddaway, Chief Chili Head, 6524 Northport, Dallas, Tx 75230, USA.

Vintage taste

VERTICAL vintage champagne tastings are much rarer than those of distinguished clarets, and Roederer's, in London for its Cristal, was only the second ever in the UK.

Roederer Cristal is the prestige cuvée that competes in quality and esteem with Moët & Chandon's Dom Perignon. The quality of Cristal, as with Roederer's other champagnes, owes greatly to ownership of top vineyards on the Montagne de Reims, Côtes des Blanc and in the Vallée de la Marne near Epernay, which together provide it with 80 per cent of its grape requirements.

It is very delicate champagne, beautifully balanced and capable of lasting for a long time. The seven vintages shown were joined at the subsequent lunch by the Cristal Rosé.

1985. Exceptional fine, powerful nose, and very fruity flavour, with lots of body. Surely an exceptional year, worth buying and keeping.

1983. After the very bold '85 this '83 had a rather reticent aroma, though it came out in the glass. More acidity than '85 and although very agreeable less distinction for me than the other vintages.

1982. Fine, full nose, with more body, depth and character than the '83, though still full-flavoured enough to show it should still improve. Classic champagne.

1981. Lovely mature, developed, toasty nose. Taste at first a little reserved, but grew in glass. Deliciously mature but still fresh. A champagne for those who like it with some age.

1979. Through no fault of Roederer one of two bottles at the tasting were corked and this I tasted under rather different conditions at the subsequent lunch. Surprisingly young on nose, with plenty of flavour and long taste.

1977. The second and most celebrated of Roederer's "off-year" Cristals in a vintage passed over by all the other champagne houses. Not great colour, but exceptionally developed, rich nose. Full flavour with slight dryness at the end, but still remarkable. The cellar master once told me that it was the finest Roederer he ever made.

1974. Exceptional when I tasted it some years ago, it still showed no sign of age, except perhaps a little dryness at the end, and little short on fruit. An attractive, biscuity taste with surprisingly little colour.

1983 Rosé. Served at lunch, very pale in colour, always an indication of a fine rosé champagne. A slightly fuller flavour owing to the addition of Pinot Noir, but 20 per cent Chardonnay. A very elegant wine for the bouquet and flavour.

Edmund Penning-Rowsell

Suburban dreams of a room with a view

It's time to think about bringing plant life and light into your home. ***Lucia van der Post*** *on the pros and cons of picking a conservatory*

An eclectic collection of baskets and pots from Marston & Langinger's London shop

ONCE upon a time only the rich and travelled aspired to owning a conservatory. These days even owners of modest suburban homes dream of an extra room, more beguiling than a simple house extension, filled with light and plants.

As more people aspired to owning a conservatory so the companies offering to supply them mushroomed. Now the would-be conservatory owner is spoiled for choice. But prices have risen. In 1982 the owner of one of the most truly magical conservatories I know paid about £7,000 for it – from my talks with builders and manufacturers I guess it would cost at least £30,000 today.

If you feel bewildered instead of feeling spoilt by the choice on offer, the best advice I can give is to find builders or manufacturers responsible for designs you like and to talk to existing owners who, having learned the hard way themselves, are usually a mine of information about what and what not to do.

The big divide in price (but not necessarily in quality of design or finish) comes between those companies offering individual, one-off designs and those which use a range of standard, or modular, parts. The fact that the parts are modular does not necessarily mean they are of low standard – often the reverse – but it does mean they are less flexible.

The virtues of the one-off approach stand or fall by how well any particular one-off design is done. The best of such companies do it very well but simply because it is hand-made and one-off is of itself no guarantee of quality.

The main problem lies in making sure that there is a harmonious blend between the existing house and the new addition – hideous excrescences are everywhere. The golden rule is to respect the architecture of the house – where possible window designs should be echoed, detailing such as iron fittings, hinges, roof pitches should be appropriate. A Georgian house would not be enhanced by a conservatory with Victorian finishes. Marston & Langinger, 192 Ebury Street, London SW1W 8UP seems to have made a great speciality of respecting the architecture of a house and can provide examples of the care which it has taken to integrate a new structure into an existing one.

Among the newer companies Oakleaf Conservatories, of Clifton Common Industrial Park, Kettlestring Lane, York, YO3 8XF, seems to combine exceptionally high quality with reasonable prices.

If you want to use the room all-year round take great care over the heating, bearing in mind both your own needs and those of the plants. Blinds are essential – even in our temperate climate sunlight can do a great deal of damage to plants and furniture, while large expanses of uncovered glass lead to uncomfortably high temperatures in summer and cold in winter. The traditional blind is made of pinoleum (fine pine reeds sewn together) or holland (stiffened cotton) and to my mind they are much the most appealing – they not only look attractive they also do the job admirably. Almost all good blind makers can supply either but those thinking along these lines might like to know about a specialist company, Appeal Blinds of Unit 16, Barnack Trading Estate, Novers Hill, Bedminster, Bristol BS3 5QE (tel: 0272-637734) which makes a speciality of sorting out shady problems. They offer all sorts of hi-tech conveniences – such as thermostatic controls which adjust the blinds automatically according to temperature changes.

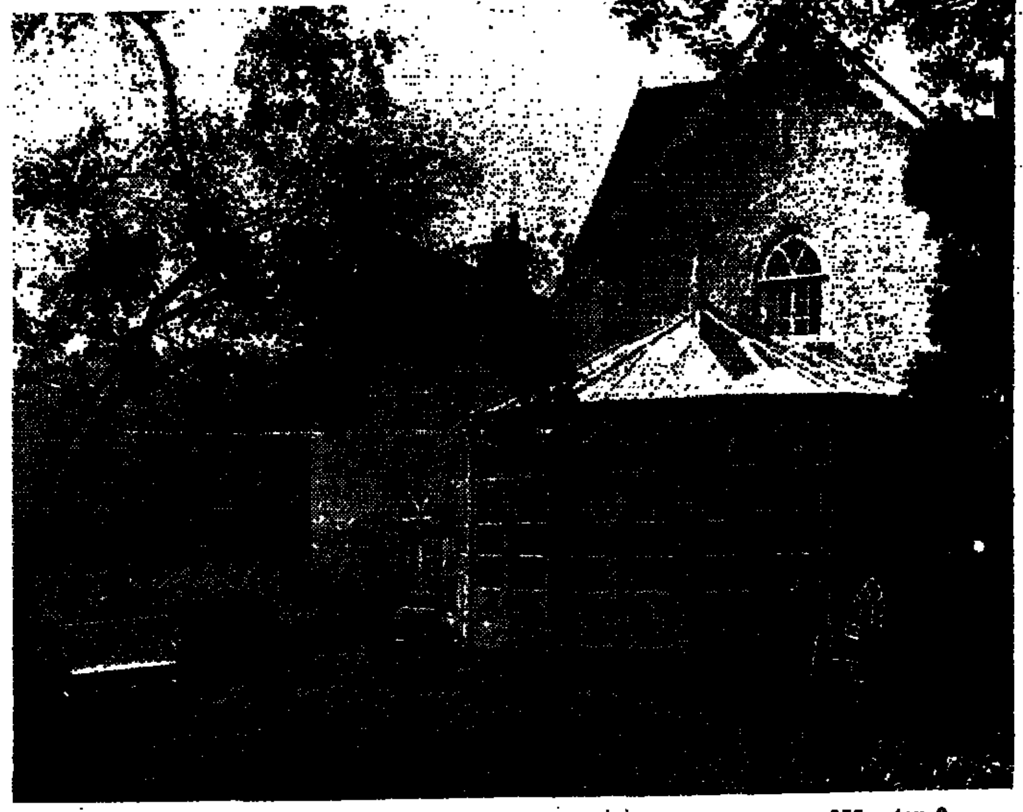
For difficult curving windows, for skylights, arches, circular windows and other problem areas Hunter Douglas's new "Duette" range could be the answer (see photograph below) as they can adapt to almost any curve or shape. Hunter Douglas also has a blind called Top Down, which rises up from the bottom of the window or the floor so that you can have privacy from the bottom-up without blocking out the light – a brilliant device for certain sorts of bathroom, in particular.

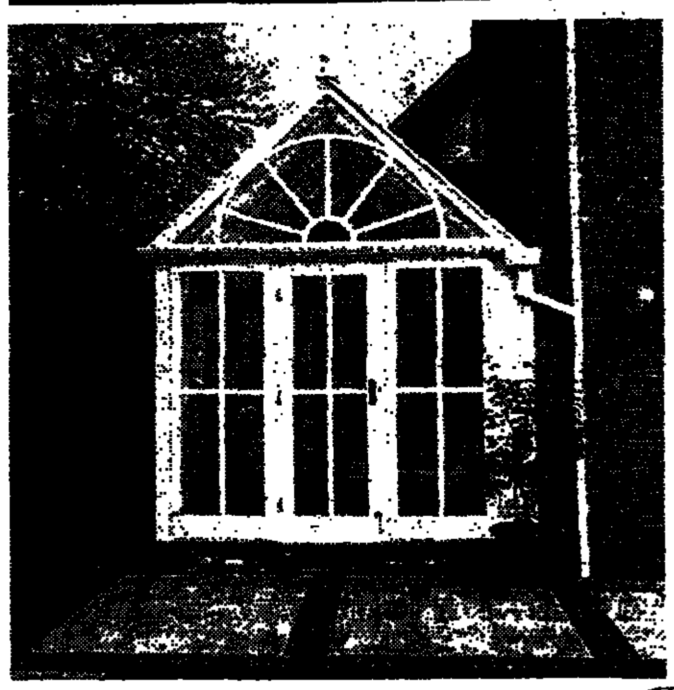
Once you've got your splendid conservatory, how do you turn it into the lush and verdant haven of your dreams? If you are a knowledgeable horticulturist, then you can have a wonderful time in the garden centres and browsing through esoteric botanical lists from obscure nurseries but, if you are a novice, learning can be a painful, expensive business.

Conservatory Gardens is a new company designed to help you. Run by Dr Joan Phelan, a botanist with impeccable professional qualifications, and Patricia Glennie, it will provide as much or as little advice as you need. It will help you create anything from a lush tropical paradise to a minimalist Japanese garden or will simply help make the best of the plants you already have.

It can help you track down the rarest of orchids and the lushest of greenery. The company advises on matters of temperature, shade, humidity and ventilation – ideally consult before you start – and knows where to find everything from a rubber plant to an exotic Chilean bellflower. The terminally lazy and/or chronically busy could ask Conservatory Gardens to water, prune, plant and pot as well. Contact Joan Phelan or Patricia Glennie at 17, Hartington Road, Chiswick, London W4 3TL. Tel: 081-994-6109.

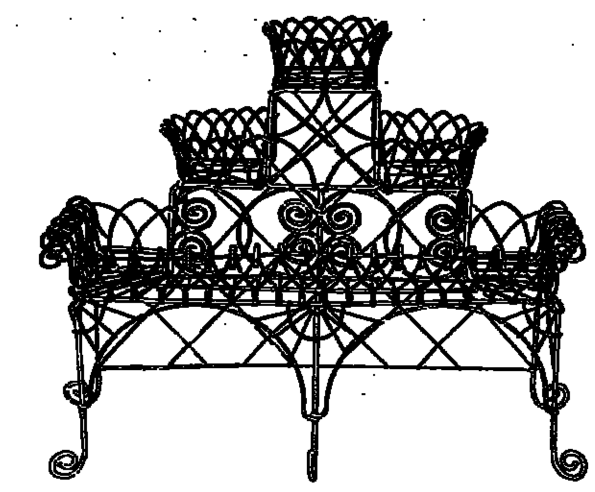
There is also a host of shops that offer enchanting accoutrements. Marston & Langinger has a new enlarged shop at 192 Ebury Street. It contains a totally beguiling mix of old and new, ranging from giant kumquat trees to wicker furniture, from ornate wire jardinières to tables, chairs, giant urns, baskets and chandeliers.





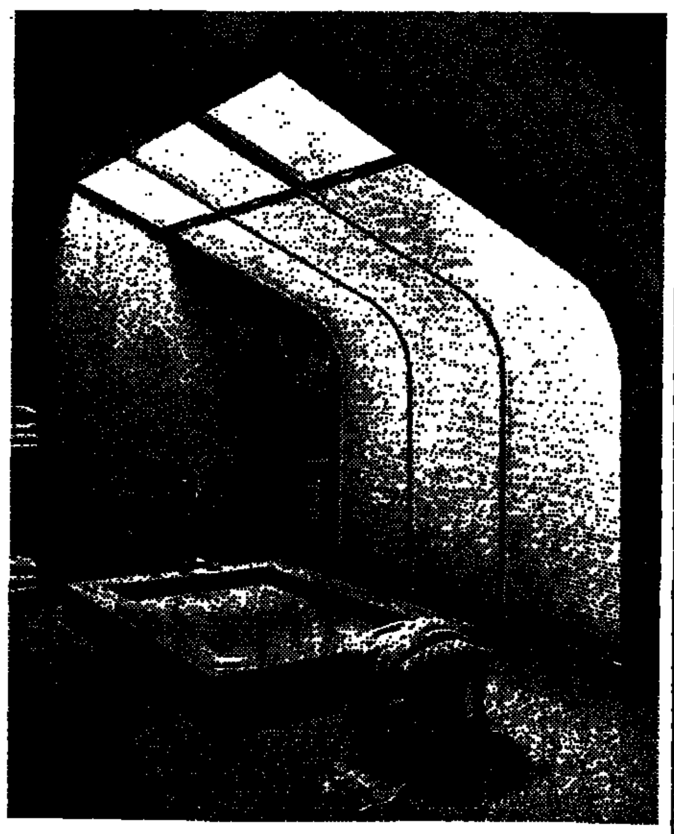
Above, one of Marston & Langinger's custom-made conservatories, this time shaped like a bay, with the double-glazed doors all the way round opening on to the surrounding hillside. Note the way the windows have been carefully matched to echo the Gothick mood of the house. All Marston & Langinger's designs are individually designed; prices start at about £20,000.
Left, a smallish conservatory from Oak Leaf Conservatories, a newcomer in the conservatory-building business, featuring the fan-shaped cartwheel window which is very typical of the company and its designs. All its designs are made to measure – this is a modest version, measuring 4.9 metres by 2.7 metres (16 ft by 9 ft), to suit a smallish urban site. It cost about £17,000 when it was built last year.

Left: The Victoria Collins Conservatory range is pretty enough for almost any room. The collection is based on basketware and cane, lime-washed and bedecked with ribbons and roses or, for this summer, shells. Photographed is the chair (£290), a wall basket (£49), wastepaper basket (£40) and a Gainsborough basket (£48). Stockists: Harrods, Harvey Nichols, General Trading Company in Bath and London's Sloane Street, Kathrine Letts Interiors, Godalming and Home Works, Wilmslow, Cheshire and Amazing Lace, Preston. Lancs.
Right: from Marston & Langinger, oblong wire jardinière, £266.



I drew readers' attention last year to The Indoor Garden Room which specialises in idiosyncratic, high-quality, highly decorative pieces for . . . yes . . . the indoor garden . . . in other words, the conservatory. Run by Nessa O'Neill from her own home, Stratton Audley Hall, Stratton Audley, Oxfordshire (tel: 0869-278256) she has now added a line of her own designs to the one-off antiques. Some are inspired by antiques she has seen or sold, others are her own design. Sketched right are, top, the topiary bench (note *the storage in the ottoman* seat) made from cedar, then painted in tough protective coverings in any colour or finish required. £2,288. Bottom, a hand-made high-backed wirework seat, £1,160. Three-seater version is £1,690.

James Ferguson



Photographed here in a bathroom with tricky, curving windows are Hunter Douglas's "Duette Honeycomb Shades" – they could be the answer for the curved, round or other difficult windows so often found in conservatories. They are not as pretty as pinoleum or holland but choose classy colours and they can look clean and sleek. Based on a "honeycomb" pleating "Duette" comes in masses of colours and creates a thermal layer keeping hot or cool air in. The fabric is crush-proof, easily wiped clean and comes with electronic controls as well. Stocked by John Lewis, House of Fraser and most good furnishing departments. Price for a basic 4 ft by 6 ft blind would be about £59.

GARDENING

'A royal treat under glass

FOR A few days this month and next visitors to Brussels can see a spectacular masterpiece of late 19th century ornamental architecture, the royal greenhouses of Laeken.

The palace of Laeken, on Brussels' outskirts, is the residence of the Belgian royal family. When Leopold II, King of the Belgians (1865-1909), decided to build new glasshouses, he conceived a project to rank beside anything then built in glass and iron. Think of the famous greenhouses of Kew Gardens, multiply them into an entire city of glass and you have some idea of Leopold's grandiose vision.

A century ago this year, the King switched on the electric lights in his greenhouses for the first time. His greenhouses remain almost intact, and spread across three acres. They are a magical sight, stretching downhill across undulating lawns, their domes and cupolas billowing out of a filigree of flying buttresses and iron girders fretted with art nouveau patterns. The heating chimneys are disguised as minarets. The opening of the greenhouses has been a spring ritual for a century and is a popular outing with the burghers of Brussels. In the evening the greenhouses are illuminated creating a curious, deliciously *fin de siècle* experience.

The permanent collection is famous for palms, camellias and orange-trees. However, the two houses which shelter the world's oldest and most important collection of camellias under glass are closed. Flowering camellias along the visitor's path are a reminder of Leopold's particular passion – late in his life, he moved into the palm tree pavilion with his young mistress.

The original planting scheme was devised by an Englishman, John Wills. He campaigned against those who wanted to fill the place fashionably with cactuses. They were, he said, ugly, spiky and poisonous; he won. The scheme he created was not very different from what we see today, with the tall geraniums trained against wires in the labyrinths, the tunnels of fuchias which meet overhead and the verdant walls of climbing fig.

A visit sta[illegible] the top of the complex and winds downhill, taking in the grand gallery, the fern cross, the Diana house, the white staircase, the mirror house, the Congo house with its rubber plants, the winter garden and the elegant early 19th century orangery.

The winter garden is the climax to architect Alphonse Balat's scheme. A huge dome rises 100ft above fluted doric pillars of sandstone, topped with a great crown. Between the benches, hibiscus and hydrangeas grow in the oriental vases the young Leopold bought on his travels. All the scene lacks is an orchestra in white tie and tails, playing a selection from Meyerbeer.

■ *Visiting days at the royal greenhouses are from April 27-May 12, but they are closed during the day on Mondays and Fridays. Evening opening is from 9pm-11pm on April 26, 27, 30; May 3-5, 8, 10, 11.*

Patricia Morison

The garden visitor's secret weapon

Robin Lane Fox leafs through two valuable guides

OFF THE record, we all like inside knowledge: we particularly like inside knowledge about successes. When something is all the rage, which is the part of it which is not enraging?

In the past 20 years, the rage has been for garden-visiting. Thousands of homes have opened their gardens. There are gardens made since 1982, those still in the making since 1986, masses of old-fashioned roses, an emphasis on hardy geraniums and a great wave of public spirit and charitable goodwill. "They asked us to open it, so why not?" – you probably know someone with a worse garden than your own which is open while yours stays shut.

The first way to approach this new season's garden-visiting is to buy the famous *Yellow Book* (£1.50 from most bookshops). The next is to stop and think before you spend Sunday indiscriminately, driving to anything which is marked with a rosette.

This year there are more than 2,600 gardens, the majority of which are not normally open to the public. Last year they raised more than £900,000 by the innocent tactic of exposing themselves to the public gaze; the teas helped, and nobody could do other than wish them and their organisers an even better 1991.

No other country has a fraction so much on offer, except for the occasional corners of France, where English gardeners have settled or married in exile. Nor do they have the same eccentrics: the couple in the west Midlands who pressed tobacco plants into my hand for nothing because we both believed in peace studies (we certainly did not); the lady with a rock-garden in the north-west who sold a rock-cake with every rock-plant; the bold spirits who opened their swimming-pools as well as their gardens and forgot to insist on swimming costumes; Howard and Jean Crapp at Grangewood, Lincolnshire, who have a "plantsman's collection of 130 conifers up to 30 years old (all labelled) – see how your conifers will look when they grow up."

There were times in 1990 when the long shot and the Sunday gamble began to wear thin: 50 miles driving, maybe more, in an afternoon to a promising cluster of rosetted new gardens where the owners were terribly pleased with their toadflax and healthy young men in Barbour jackets were selling lumps of Primula Wanda at the gate for £2.50 as a cottage-garden plant.

It is charity, it is the country and it also persuades me that the biggest pest of the English flower-bed is now the white-flowered little Bitter Cress (otherwise known as Jumping Jesus). It had seeded itself so profusely through the rosebeds of a Cotswold garden in April that it was no longer possible to explain it as a consequence of the outdoor lavatories, cut into the garden's yew hedges.

Really, somebody ought to have hoed it before asking people to pay entrance money and view it. I find myself pulling this weed up by the fistful in order to stop it seeding in the next fortnight. It is heartening, but not exactly value for money, to pay to see it everywhere else.

Hence the need for inside knowledge: among the 2,600, which gardens are particularly worth seeing if your main interest is not people, teas or a permitted walk for the dog?

In 1990, the *Good Garden Guide* appeared for the first time. I missed it and so I spent too long in the wrong villages. This year the *Good Garden Guide* is back again and it is the insider's indispensable weapon. Edited by Graham Rose and Peter King, it is published in paperback by Barrie and Jenkins at £9.99. It is not often uncharitable (only the best earn a mention) and all the gardens in the book have open days for a Good Cause. It merely saves the punter a wasted Sunday. In the 1990s, gardens are a prime example of a growing market in which quantity is obscuring quality and the demand is for insider knowledge – not for more, but for knowing where and which?

Rose and King have quite a gift for a well-aimed comment: at Lower Hope, in Hereford and Worcester, "the effect is of finding the south banks of the Chelsea Flower Show transported bodily to Herefordshire . . . Everything is a great tribute to the Richards' gardeners." At Kingston House in Oxfordshire, "Miss Raphael's niece, Lady Tweedsmuir, continues the good work begun on February 29 1984. It has many rare and interesting plants, although their arrangement is in some cases incongruous. In August 1990, the garden was looking desiccated."

I have not seen either of these gardens, but with Rose and King beside my *Yellow Book* I feel more confident that I know where to look. They give stars of merit: Sissinghurst scores two, but so does Chilcombe House in Dorset – "a marvellous creation in a beautiful setting" – as does Shrubland Hall in Suffolk, where some of the trees are supposed to be "8,000 years old." Sometimes they fail to give a star at all (Newby Hall or Sutton Park in Yorkshire, to pick two at random), but at least they have a clear idea of style and do not mince words.

If you allow for the cost of wasted petrol, Rose and King have to be worth it. I think I trust them and they are not even anti-blood sports. At Upton House "the Warwickshire hunt meets twice a year at the house and, by following them to the hills at the back, gardening enthusiasts who are also hunt supporters may enjoy a unique view of the descending terraces and lake." They also avoid the admission fee, have a chance of a free drink and might, for once, see foxes coming out of a good shrubbery.

Rose and King list "over 1,000 of the best gardens" throughout the British Isles; the *Yellow Book* lists "over 2,600" with the addresses of further books for Scotland and Ireland. There is just about enough for a lifetime of Sundays. If you like plants and designs, buy Rose and King; if you like teas, dogs, crafts and personalities, buy the *Yellow Book* and travel at random.

INTERNATIONAL PROPERTY

FRANCE - PARIS
HENRI MARTIN - 16th ARRONDISSEMENT
Magnificent reception rooms 2 bedrooms. Refined decoration.
OVERLOOKING THE SEINE - 7th ARRONDISSEMENT
Magnificent 460 sq.m.
FRANK ARTHUR
Phone: 33.1.45.62.01.69
Fax: 33.1.49.53.04.87

FRANCE EXCLUSIVE PROPERTIES

Monaco	up to £5,850,000
Cote d'Azur	£47,000 to £430,000
Languedoc/Roussillon	£25,000 to £128,000
Atlantic Riviera	£24,000 to £48,000
Alps	£25,000 to £110,000

These exclusive, new freehold apartments, houses and villas, cater for discerning individuals requiring a good investment opportunity and for sporting enthusiasts where golf, sailing and skiing are particularly well served.
Full management, rental and finance services available.
For further information, please contact the sole UK agent, Mills & Co., The Annexe, The Eades, Upton-Upon-Severn, WR8 0QP. Tel: 0684 593921/594588. Fax: 0684 594425

ANDORRA
BUY DIRECT FROM BUILDERS
Andorra- the true tax haven in the Pyrenees
Full sales, management, and rental service.
CISA ANDORRAN PROPERTIES
12, Kings College Road, Ruislip, Middx HA4 8BH. Tel (0895) 621617

ITALY LAKE COMO
Invest in a property that can be enjoyed throughout the year. Swimming in the summer, skiing in the winter. Magnificent views. 2 airports in Milan. Lugano 25kms.
Rustic Properties from £20,000,
2 Bed. apartments with private balcony., Pool, tennis and boules court. Set in private wooded grounds. From £77,000. House on lakeside (needs renovating) £100,000.
CASA TRAVELLA. Specialists in property on Lake Como. Phone 0322 880988 Fax 0322 887206.

LEGAL DEALINGS IN EUROPE?
Thinking of purchasing property in Spain, Italy or France?Initial enquiries in London with family firm with reputable contacts abroad. Avoid unnecessary agents fees & time wasting.
For free information telephone:Geo H. Gibson (Solicitors Est 1934) 071-228-2211 or write to 58/60 St. Johns Rd London SW11 2QS.(Fax: 071-924-1686)

Bovis
LUXURY HOMES AT QUINTA DO LAGO ALGARVE FROM £100,000
Interest free payment terms available on constructed property.
Four owner freehold option from £23,000.
Long Weekend Visits £200.
Freephone 0800 252235 or write to Bovis Abroad Ltd 127 Sloane Street London SW1X 9BA
FT13491

Magnificent Country Club Living In Naples, Florida.
Fast becoming one of the most acclaimed Country Club Communities in the Southeastern United States, Lely Resort offers 3 world-class golf courses by Robert Trent Jones Sr., Gary Player and Lee Trevino.
Featuring homesites from the $60's, coach homes, immediately available single-family homes and garden apartments—Lely Resort, in beautiful Naples on The Gulf of Mexico.
LELY Resort
The Symbol of Excellence.
1-813-793-2200
Lely Realty, Inc. • 9200 Lely Resort Boulevard • Naples, Florida 33962

AGENCY OPPORTUNITIES
LARGE ACREAGE COMMUNITY
NAPLES, FLORIDA
3 Golf Courses
Gary Player, Lee Trevino, Robert Trent Jones, Sr.
EXCELLENT COMMISSIONS
SINGLE FAMILY & MULTI-FAMILY HOMESITES
COMMERCIAL PROPERTIES
Contact: John J. Agnelli
(813) 774-5333
FAX (813) 775-2333
LELY DEVELOPMENT CORPORATION
8825 E. Tamiami Trail
Naples, Florida 33962 USA

ORLANDO, FLORIDA
World's #1 Vacation Destination

Lifestyles of the rich and famous
Near WALT DISNEY WORLD® and Cypress Gardens® - $63,900 - LUXURY RESORT LAKEFRONT CONDOMINIUMS
- on-premises property management
- Excellent financing -
WINTERSET
The Best in the Orlando Area. For the ultimate vacation home or a home for life, call
(813) 324-2640,
Reverse charges.

LOVELLS
PROPERTY PROFESSIONALS SINCE 1879
Guernsey
Channel Islands.
We specialise in the sale of property to new residents in this low tax island and offer:
*Free 'Settling in Guernsey' colour brochure and fully illustrated colour property brochure
*Prices start from £250,000
CONTACT US NOW TO DISCUSS THE ADVANTAGES OF LIVING IN GUERNSEY
P.O. BOX 58, 11 SMITH STREET, ST. PETER PORT, GUERNSEY.
Tel: 0481 723636 Fax: 0481 713494.

VILLARS SWISS ALPS SKI AND SUMMER RESORT
70 minutes from Geneva airport.
A choice of distinguished freehold chalet apartments in prime positions, on our exclusive private park Domaine de la Résidence, or in the village centre.
Direct sale from the developer
Attractive low interest Swiss finance
Contact: David de Lara,
15 Hartswood Road London W12 9NE
Tel: 081-749 2188 Fax 081-748 0339
IMMOBILIERE DE VILLARS S.A. ESTABLISHED 1961

PRINCIPALTY OF MONACO
BEAUTIFUL SEAFRONT APARTMENT
283 sqm for sale in new residential building with pool, composed of a large living room with loggia, 3 bedrooms, 2 bathrooms, shower-room, kitchen with access to loggia, cellar, parking space, wonderful view of Mediterranean and gardens.
For further details please contact:
A.G.E.D.I.
ERI Residential
7 et 9, Boulevard des Moulins
MC 98000 MONACO
Tel. (33) 93.50.66.00
Fax (33) 93.50.19.42

IRISH PROPERTY EXHIBITION
A major Irish Property Exhibition is being hosted by the National Property Network on Saturday 4th May 1991 in the International Hotel, Wilhelm Leuchner Strasse 43, Frankfurt.
Leading Estate Agents from all over Ireland will have on display a vast selection of properties including Country Mansions, Holiday Cottages, Investment/Commercial Properties, Development/Agricultural Land & Industrial Units.
For Further Information Tel: 353-74-22399,
Fax: 353-74-25179. Paul Reynolds & Co.

MALAGA - TORREQUEBRADA.
Newly completed, luxuriously appointed, architect designed bungalow of 240m², with uninterrupted views over the bay of Fuengirola as well as over the golf course to the mountains beyond; 20 minutes from Malaga airport. Open plan living area; three double bedrooms all with bathrooms en suite; fully equipped kitchen; marble floors throughout; garage; landscaped gardens with swimming pool. Available immediately. Price around 70,000,000 pesetas (US $670,000).
For further details telephone during normal office hours, Mrs. Magnusson: Sweden (46) 42-18.53.00, or write to: Harsjo & Brand Maklarbyra AB, Stagnelisgatan 3, 252 39 Helsingborg, Sweden.

CAP FERRAT TO RENT
A few beautiful villas with 3,4 or 5 bedrooms and swimming pool, available July and August
BEAULIEU IMMOBILIER
Port de plaisance
06310 BEAULIEU SUR MER
Tel (33) 93 01 33 22 Fax 93 01 33 55

Eastern Algarve
exceptional investment 55 hectares with viability for construction adjoining future golf course 3 kms from ocean - spectacular view. Joint venture considered. Contact Harcourt (Portugal), Ltd Tel. 351-89-398232/3/4/7 - Fax 351-89-398300

COTE D'AZUR
Cannes & Surrounding Areas. Established bi-lingual Company offers comprehensive range of properties to suit all requirements. Choose from Villas & Apts, New & Resale, Coast & Country. Legal Advice and Mortgages arranged.
AZUR INTERNATIONAL AGENCE
London Tel: 071 482 4532
Cannes Tel: (010) 33 92 98 61 02
Fax: (010) 33 92 98 61 11

BEAUTIFUL ONE BEDROOM apartment for sale at Montreaux, Switzerland. Very low price. Contact Mr. U. N. Datta, Residences Montreaux, Campagne, apartment no-44 Chernex, Switzerland or contact after 4 May at 90 - 59 54th Avenue, New York, N.Y. 11373. Tel: (718) 271-0788.

FRENCH ALPS. Dual season golf/skiers paradise. Individually designed chalet apartments in lovely alpine village nr. Courchevel. Freehold fr. £40,000. European Real Estates. 0276 691766.

MARBELLA. Resale Specialists for villas, apartments, townhouses. East/West of Marbella, beach, golf, hillside etc. Estates International 071-244-7828.

SWITZERLAND Sale to foreigners authorized
Lake Geneva & Mountain resorts
You can own a quality APARTMENT/CHALET in: MONTREUX, VILLARS, LES DIABLERETS, LEYSIN, GSTAAD Valley, CRANS-MONTANA, VERBIER, etc. from SFr. 200'000.— Credit facilities.
REVAC S.A. 52, rue de Montbrillant – CH-1202 GENEVA Tel. 41.22/734 15 40 – Fax 734 12 20

NASSAU BAHAMAS
Luxury apartments. Best position ground floor. Superb sea views. 1 double bedroom, large living room. Kitchen, bathroom, airconditioned, swimming pool, satellite TV. Fully furnished - 95,000 US dollars. For further details & colour leaflet. Phone: (809) 3278282 Fax No: (809) 3279833 or write to: Colin Glascoe Compass Point Studios Ltd. P.O. Box N-4599 Nassau, Bahamas.

PROVENCE COTE D'AZUR
All year accommodation of high standard between St. Tropez and Toulon. Access to 18 hole golf course. Call for further information. Baron Belvedere Private Country Club Tel: +33 94666810 Fax: +33 94355867

Verbier (Valais/Switzerland) apartments
available to foreigners for sale in Verbier.
fax (010.41) 26 31 64 65
tel (010.41) 26 31 64 64
Agence VALENA, Verbier.

BOCA RATON PALM BEACH
If you are considering the purchase of a luxury residence in this area, please contact:
Roslyn Cerasuolo, Realtor c/o Coldwell Banker 101 N. Federal Hwy. Boca Raton, Florida 33432
407 391 9097 Fax 407 391 6520 (USA)

FRENCH RIVIERA
Construct your new villa on the Riviera with confidence. Resident Chartered Surveyor providing project management service for villa construction. Choice of locations, designed to your specification. 10 year guarantee. Prices from FF 2.0 million to include swimming pool.
CHARLES MACKINTOSH FRICS UK Offices Tel. 071 629 1442 Fax: 071 493 9656

HIDDEN ANDALUCIA
Outstanding Hillside Cortijo. S. Spain, 30 mile Panoramic views to Med and N. Africa. 1 hr Gibraltar/Estepona. Sleeps 8, 4 bed, 3 bath, double recep, farmhouse kitchen/dining. 14 m pool, tennis court, riding, shared 250 acre private estate, working farm. £350,000 ONO.
Tel: 071-373 5314

COSTA BLANCA: Hugesight bedroom villa set in landscaped gardens on sizeable plot in prestigious area overlooking Moraira. Large rectangular swimming pool, covered barbecue and separate shower area. Set on two floors, the villa has been built as four, two bedroom units, ideal small hotel or large family home. Price £387,500. Other property available from £100,000. Ring London Spanish Plc on 071 487 3131.

DINARD in Northern Brittany. On small development within 250 metres of beach. Two bedroom house 310,000FF: One bedroom house 284,000FF. each with private garden. Tel: 0993 812171 or 0392 59800.

COSTA DEL SOL PROPERTIES. Marbella offices. For information and price list ring 081 903 3761 anytime. We have a wide selection of luxury resale villas.

ST. PAUL DE VENCE Delightful provencal house with 3200m² land overlooking the old village - pool - separate guest house. 6,950,000 Frs. CHRISTINE DAVIS, Elliott Immo., 'La Craminad', 38 avenue Roi Albert, 06400 CANNES Tel: 93 43 12 87 Fax: 93 43 50 71.

Provence - Var The complete property service finding, negotiating, buying, renovating and managing. We are on the spot. English Property Searches.Tel: 010-33-94-04-42-37 Fax: 010-33-94-04-40-75

LES SABLES D'OLONNE
GOLF DE LA PIERRE LEVEE
51 detached villas on 18 hole golfing complex.
Being developed by Millendeau, leading Vendee builders, full guarantees apply to all sections. Letting income guaranteed.
For your introductory prospectus -write or phone now (24 hrs)
0502 589171
French Country Cottages (Sales) Ltd. Anglia House, Marina, Lowestoft. NR32 1PZ.

FRANCE CAP FERRAT
Charming 3 bedroom villa with garden.
F.F. 6.900.00
For full details telephone (France) - 93 25 32 28 or fax 9216 0056.

FRENCH RIVIERA
CAP HERMES (PORT FRÉJUS), next to its'own private beach and overlooking the exciting Fréjus Marina, moorings for over 700 yachts.
LES MAS DE LA MER with views over the Mediterranean at St. Aygulf.
Villas and apartments with garden or spacious private terrace.
Swimming pool, tennis court, watersports,
Horse riding and a choice of superb golf courses nearby.
Both projects offer :
• Excellent capital growth (prices at Fréjus rose 46 %, 1986 - 1989).
• High rental demand. • Full financial planning furnishing and letting service.
For further details of these top quality developments contact : CROWN RELOCATION INTERNATIONAL 24 Market Square, Princes Risborough, Bucks.HP17 0AN Tel. 0844 274274 - Fax 08444 7958
The New Standard in Luxury
NAME :
ADRESS :
POSTCODE
TEL. HOME : WORK :
CIFT 130491

GARDENING

GARDENING IN IRELAND!
Roses, Geraniums, Pelargoniums, Choice Shrubs, Bulbs, Bedding Plants, Perennials, Herbs, Vegetable Plants, Baskets, Window Box & Patio Plants.
Convenient to Cork Airport & Ferryport (Swansea/Cork Ferries, Tour lists, programme & local information:
Hosford's Geraniums & Garden Centre, Cappa, Enniskeane, Co. Cork, Ireland.
Tel: 010-353-23 39159 Direct from U.K.
Fax: 010-353-23 39300

HOLIDAYS & TRAVEL

VILLAS

THE REAL PORTUGAL
is surprisingly near the Algarve coast, in untouched rural areas and the beautiful Monchique Hills. Here are some lovely houses, owned by individuals who wanted a real holiday away from other people – complete with staff, pool and privacy.
There is another Portugal: ask for our brochure and see.
CV TRAVEL Portugal Dept FT
01-581 0851 (589 0132-24hrs)
ABTA ATOL 387 AITO

A MEMORABLE HOLIDAY IN FRANCE
Quality & comfort guaranteed. Standards assured by personal inspection. Private pools.
Quality villas 0348 837871.

COTE D'AZUR VILLAS Cap Ferrat to Cannes. Private pools, seaviews, peaceful grounds + staff. Also yacht charter. 071 409 3270.

THE ALGARVE Villas with pools, with or without flights - The Villa Agency 0273-747811

THE SOUTH OF FRANCE Villas with pools - The Villa Agency. 0273 747811.

CARIBBEAN

CARIBBEAN CHRISTMAS Holidays to Antigua, Barbados, Saint Lucia etc. Now on sale all B.A. Flights. Tel The Caribbean Specialists INTERLINE TRAVEL 0707 372000 ABTA 88302.

LAKE DISTRICT

RATHER SPECIAL COTTAGES
Set around the courtyard of an English Country House and restored by local craftsmen to the highest standards. During your holiday, relax by the stream in the walled garden or borrow our dinghy and sail on the lakes. Open all year. Top Tourist Board Awards 1990 & 1991
LONGLANDS AT CARTMEL
Cumbria LA11 6HG
Please tel: 05395-36475 for a brochure.

YACHTS

AUSTRALIA Specialists for cruising around the 74 picturesque Whitsunday islands off the Queensland Coast. Beautiful beaches, coral reefs. Excellent skippered/bareboat yachts, from £982 return fare and charter. Also personalised holidays aboard a luxury 70 ft ketch with skipper and cook. Sail Australia Ltd, Higher Drive, East Horsley, Surrey. KT24 6SH. Tel: 0486 52191

LUXURY MOTOR YACHT CHARTER Crewed yachts for 6 -20 : £700 - £25,000 daily; full itinerary planning, food, wine selection + limousine services. Mediterranean + worldwide. 071 408 3270

HOLIDAYS AND TRAVEL ADVERTISING ALSO APPEARS ON PAGE XV

PROPERTY

Home owners stranded by the fashion tide

***John Brennan** explains why property prices differ so greatly in different parts of London and why crossing the great divide can be costly*

HOW IS it possible that one square foot of housing space can be valued at £5 while another sells for over £1,000?

Actually, the more extreme the comparison the easier the price disparity is to explain. You would expect an out-of-the-way Highland croft retailing at the equivalent of £5 a sq ft to be substantially cheaper than a super-prime West Central London luxury apartment offered at £1,000 a foot.

This question of relative values is harder to get to grips with when it relates to "average" and to "super-prime" London homes which may be no more than a short cab ride apart. Once explained, however, the distinction between prime and non-prime values provides an explanation for the marked unevenness of price movements in London in the past few years and highlights one group of real losers in the '90s housing market.

As a rough guide, average houses and flats in none-too precious parts of the capital currently sell for around £100 to £150 a sq ft. Take a normal, three bedroom mid-terrace house, one of the hundreds of thousands built in London between 1870 and the late 1920s. Its internal floor area will probably be between 1,200 and 1,600 sq ft, depending on the period and the generosity of the builders. Allow for extensions and a 1,500 sq ft average would not be far off the mark for most of these family houses.

Given that size, average prices in the £100 to £150 a sq foot range provide a fair basis for valuation. Prices of £150,000-£225,000 arrived at using that formula would cover all but the best and worst of the three bedroom standard housing crop outside central London.

That price per foot guide holds up fairly well for flats. £50,000 has become a bottom-marker price for an outer area London flat. A greater number of modest one-and-a-half to two bedroom flats would fall into the £60,000 to £85,000 range. That is the price you would expect on our £100-£150 a sq ft guide for an average sized London flat of this standard.

Assume for simplicity that half of what the property costs is its site value. That would leave £75 or so for the construction element of the building. That is a reasonable to generous average for basic residential construction and fitting work.

Having arrived at this price the question of relative values re-emerges. How can housing "worth" a rough average of £150 a sq ft regularly be sold for three, four, or five times that amount?

Knightsbridge and Belgravia flats and houses are commonly put on the market at prices anywhere from £400 to £700 a sq ft. Some of the most exotic reconstructed prime properties are advertised at more than £1,000 a foot. Even in this poor market some have sold for the equivalent of £600 to £800.

There is some support for these prices in the standards of the properties. Reconstructing a prime Mayfair or Chelsea house can easily absorb £200 or more a sq ft with fitting-out costs. Some of the best reconstruction schemes cost substantially more, and fittings can cost as much as your imagination and wallet will allow.

Site costs are higher, since prime area space is tougher to get at than space in less fashionable areas. But even doubling the allowance for land values and allowing a generous margin for a higher quality of building and fitting work, it is hard to reach an objective prime area accommodation cost guide of much above £300 a sq ft.

Prime area properties tend to be bigger than their poorer counterparts, but in most other commodities that would imply a lower rather than a higher unit cost.

So what is the explanation for this price premium?

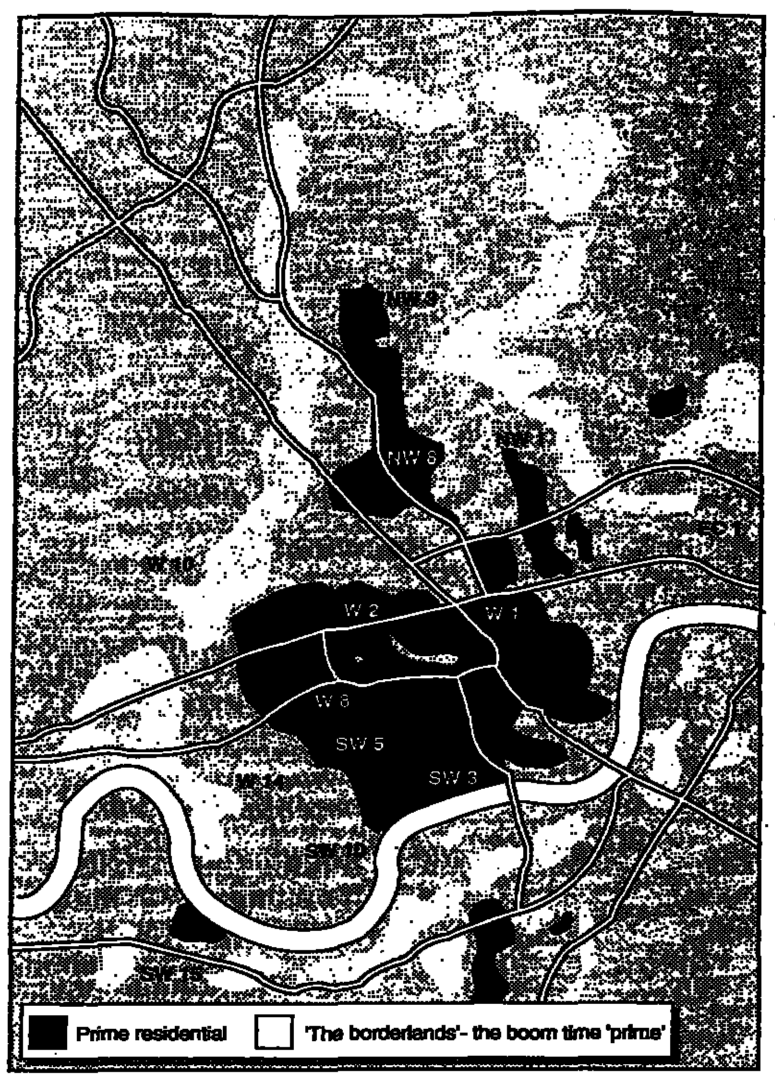
It is no more nor less than the price of fashion. Just as one pair of jeans can cost £20 and a designer label equivalent over £200, so prime and off-centre properties are valued on a different basis. They inhabit quite distinct markets.

That may appear to be stating the obvious, but by applying a square footage price equivalent it becomes possible to get a rough, but workable idea of how much this "fashion premium" adds to values.

As far as central London housing is concerned, strip out the objective costs and the current figures suggest that the difference between a "good area" house or flat and a property in an indifferent location is at least £150 to £200 a sq ft.

This opens up another set of questions about how people trade across these "price premium" borders, and how those borders are moving in the 90s.

In an active market buyers of cheap properties can keep trading up, "gearing" their purchases each time to get the maximum personal equity from each move until they lifted their personal housing stock sufficiently high to break across a "premium" border. In a stable market, where there are no such high and fast equity gains to be made, that trading across the premium borders becomes impossible.



Trading up within your own market, on the £150 a sq foot side of the counter or on the £300-plus a sq foot side, is not much of a problem. If you are in a £300-plus property you can go slumming and buy a vast house in a £150 a sq ft area. If you live in a cheap area you can only make the jump if you trade down in size or take on massive additional borrowing.

In the '90s, without swift equity gains from house trading, few from the domestic market will be able to afford to leap the £150 to £300 a foot gap. Incoming overseas buyers provide support for the prices of super-prime accommodation. On their own, wealthy buyers, both international and home grown, provide enough demand to keep the traditional central area markets turning over comfortably enough. They do not, however, represent sufficient extra demand to expand these traditional prime central residential areas.

Yet this central area price plateau did grow, and grow substantially, in the '80s. Local market home traders were able to use their housing profits to finance a rapid expansion of prime property values to wider and wider stretches of inner London.

Chelsea town house values set the pace for prices deep into Fulham and Battersea. Sales in parts of North Kensington were at prices only explicable in terms of a spill-over from more traditionally fashionable areas of the Royal Borough. Docklands provides the sharpest illustration of this spill over of values from west central London, with prices per foot pitched initially at premium levels that simply could not be sustained in a quiet market.

Residential developers have long appreciated the importance of location status in determining resale values. Wherever possible they set out to create an oasis of premium values. Chelsea Harbour is a classic example of a scheme consciously developed and marketed as just such a super-prime location. It would not have made commercial sense to build into the £150 a foot market. Instead, this high-density set of apartment blocks on a Fulham industrial site was made part of the premium market by being presented as a Thameside slice of Nice or Marbella.

Taylor-Woodrow-Mitsui are doing much the same with their Kensington Green development on the old St Mary Abbots hospital site. Their task is as much to create a premium image for the site as to complete a construction job. Sir Terence Conran attempted just the same exercise at Butlers Wharf. There, however, he could not get enough of the six acre site up and running to make plausible the "wealth oasis" effect before the money ran out.

Progressive "gentrification" is individual homeowners' informally mutual way of achieving the same effect of raising a neighbourhood from average to prime status. But it needed status-conscious domestic demand financed by cash from successful property trades to keep these peripheral-prime areas growing.

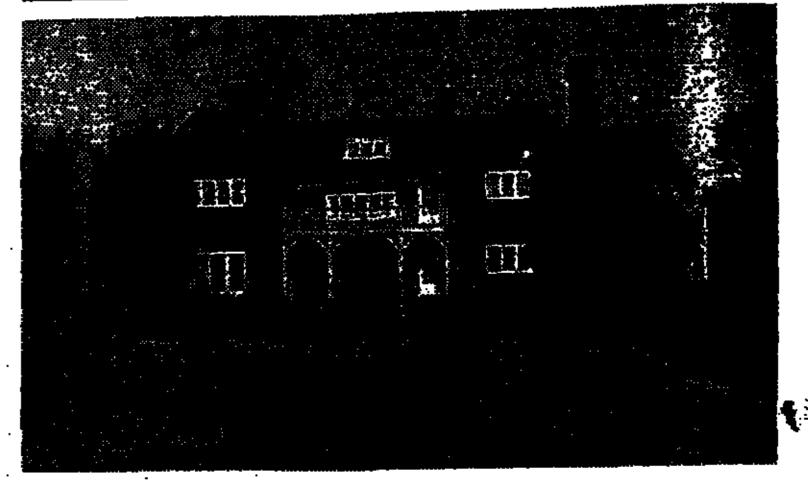
Few of the traditionally wealthy strayed outside the old core areas, even fewer of the internationally wealthy ever get to know London outside their usual circuit of Kensington, Chelsea, Belgravia, Mayfair, St James, Regents Park, St John's Wood or Hampstead.

Now, without a fast rising market the price-surfing homeowners who traded up market in the boom years are beached. And with no real prospect of a return to the fast housing profits of the '80s, there is none of the sustained demand necessary to justify expansion of property's high-fashion, high-cost areas. Quite the reverse. What we have been seeing is the ebb tide of the 80s over-spill of prime values into peripheral areas.

The pattern of price cuts in the past two years supports this thesis. Knightsbridge or Regent's Park homes retail for more or less the same as in 1987-88, occasionally more. These were prime residential areas long before prices rocketed, they remain prime now with values underpinned by scarcity of supply and limited, but adequate demand. In sharp contrast, the better properties in Clapham and Islington, Camden and Fulham – those which had started to look for sale comparisons across those premium price borders – have had to be marked down in price dramatically if they are to be sold.

Owners in these borderlands who had started to think in £300 a foot terms in the mid to late '80s had come to regard their inner London family house as an asset moving steadily in price to £350,000, £400,000 and beyond. Those who borrowed to buy on that basis are in trouble as they face the sad reality that you can not sell for £300 a foot in a £150 a foot area. These are the prime borderlands losers whose homes' boom-time fashion area status has been withdrawn.

This realignment of prime and off-centre residential markets back to traditional borders explains the otherwise inexplicable price patterns that have been recorded in the London market in recent years. Genuine top of the market homes have not sold anywhere near as fast as in the '80s, but when they do sell they have tended to hold on to respectable values. Mid and lower prices homes have shown striking variations in values, depending on whether they were previously valued on an accommodation plus fashion status basis or not.



Pooh bear lived here

E H SHEPHERD, whose illustrations for A A Milne's *Winnie the Pooh* books (right) have survived everything but the adaptations of Disney's cartoonists, had Long Meadow (above), near Guildford in Surrey, built to his specifications in 1927, a year after the first of the books appeared. The Shepherd family lived there until 1955. Now, sole sales agents, Hamptons (0483-572864) is looking for offers around £600,000 for the freehold of this five bedroom house, with a first floor artist's studio, set in eight acres of gardens with pool and tennis court.

COUNTRY PROPERTY

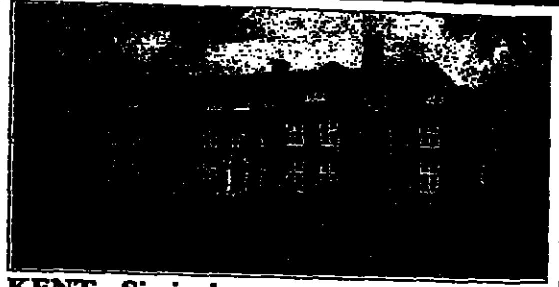
COUNTRY RENTALS

FORESTRY

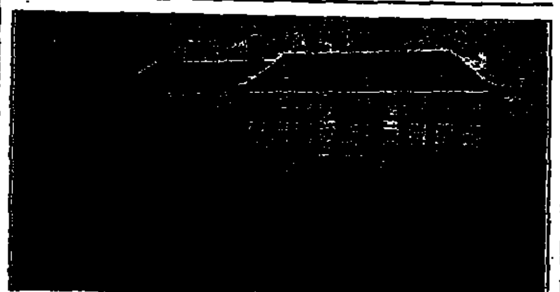
LONDON PROPERTY

COUNTRY PROPERTY

SAVILLS



KENT – Sissinghurst
Staplehurst Station 4 miles, Charing Cross/Cannon Street 60 minutes. Central London 44 miles.
Impressive Edwardian country house Listed Grade II in a spectacular garden setting.
Reception hall, 6 reception rooms, 12 bedrooms, 2 dressing rooms, 6 bathrooms.
Garaging, outbuildings, heated swimming pool, historic gardens, lake, woodland, pasture.
About 20 acres.
Region of £1.2 million.
Savills, Sevenoaks. (0732) 455551. Contact: Richard Page.
Savills, London. 071-730 0822.



WEST SUSSEX – Itchingfield
Horsham 4 miles, London Bridge/Victoria Stations 50/58 minutes. Gatwick Airport 18 miles.
Magnificent Queen Anne style country house in superb rural setting with fine views.
Reception hall, 3 reception rooms, 8/9 bedrooms, 3 bathrooms.
Two 3 bedroom cottages, coach house, triple garage block with chauffeur's flat over, extensive range of further outbuildings.
Delightful gardens, paddocks and woodland.
About 42 acres.
Region of £1.25 million.
Savills, Guildford. (0483) 576551.
Savills, London. 071-730 0822.
Contact: Paul Finnegan.

COMMERCIAL, AGRICULTURAL AND RESIDENTIAL SURVEYORS

CLUTTONS

On the Instruction of C. G. Bird and R. C. Boy- S--- of Price Waterhouse as Joint Receivers of Bliss Mill Holdings Ltd. (in Administrative Receivership)

BLISS MILL, CHIPPING NORTON, OXFORDSHIRE

A Grade II Listed former mill partially converted to provide 44 Residential Units with Leisure Facilities.
In all about 6 Acres
Tenders Invited in excess of 1.4 million.
(Closing date 12 noon, Tuesday 21st May 1991).
LONDON OFFICE: 071-408 1010 (Ref: DMSH/JFG)

Knight Frank & Rutley INTERNATIONAL

Surrey
Walton on the Hill. London 23 miles.
Heathrow 40 minutes, Gatwick 20 minutes.
A versatile and spacious chalet style property with landscaped grounds adjoining golf course
3 reception rooms, 5 bedrooms, 3 bathrooms. Large studio room. Double garage. Gas fired central heating. Landscaped gardens.
About 1 acre
Offers in the region of £375,000
Apply: Esher (0372) 464496 (TJG/104640)

London 071-629 8171
20 Hanover Square London W1R 0AH

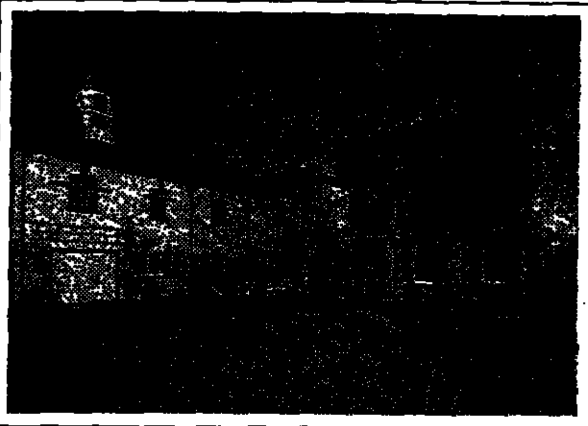
Lane Fox

BERKSHIRE - NEWBURY
Town Centre/Station 2 miles (Paddington 55 mins) M4 6½ miles
A SOUTH FACING HOUSE
with excellent accommodation and unspoilt views on the southern edge of the town. 3 reception rooms, playroom, 5 bedrooms, 3 bathrooms. Gas fitted central heating. Good outbuildings including garaging. Particularly attractive well kept garden. Swimming pool. Woodland. Colt bungalow with garden.
About 4 Acres
For sale as a whole or in 2 lots
Winchester office: 0962 869999
Head Office: 15 Half Moon St. London W1.

HAMPTONS

KENT/SUSSEX BORDER – NEAR HARTFIELD
East Grinstead 5 miles.
M23/Gatwick airport 10 miles.
Tunbridge Wells 7 miles.
A peaceful estate with a Grade II Listed house, in unspoilt Sussex countryside.
3 reception rooms, 6 bedrooms, 5 bathrooms. Oast guest cottage. Pair of 3 bedroom cottages. Swimming pool with barn and buildings. Hard tennis court. Ornamental gardens. Lake and wooded farmland.
About 121 acres.
Sevenoaks Office.
Tel: (0732) 460222 or Head Office. Tel: 071-493 8222

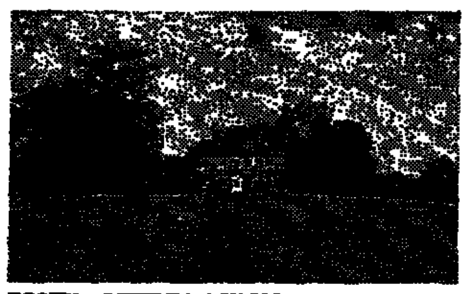
MALLORCA – PUERTO ANDRAITX
The most sought after residence on the Island, set in naturally landscaped gardens with panoramic views of the port of Andraitx.
2 spacious reception areas, dining room, "Alfresco" dining area, 4 bedrooms, 4 bathrooms (en-suite). Guest house with 2 reception rooms, 2 bedrooms, 2 bathrooms (en-suite). Further accommodation of 3 guest bedrooms, 3 bathrooms (en-suite). Staff quarters. Gymnasium. Garaging for 4 cars. Extensive terraces. Swimming pool. Jacuzzi.
Hamptons International.
Tel: 071-493 8222



BERKSHIRE – NEAR WINDSOR
Windsor 1½ miles.
Heathrow 8 miles.
Central London 23 miles.
A Queen Anne mill house with dramatic contemporary addition, fronting the River Thames with beautifully maintained gardens and mill stream.
5/6 reception rooms, 8 bedrooms, 6 bathrooms. Staff flat. Guest cottage. Bungalow. Swimming pool. Tennis court. Ornamental gardens and grounds with 460' frontage to the river.
About 5 acres.
Sunningdale Office.
Tel: (0344) 27555 or Head Office. Tel: 071-493 8222

MALLORCA – CALA LLAMP, PUERTO DE ANDRAITX
A rare opportunity to purchase a luxury villa with stunning views over the sea and surrounding coastline, in the vicinity of the much sought after Puerto Andraitx.
Hall, 2 reception rooms, 3 bedrooms (3 en-suite). Swimming pool. Solarium. Terraced and landscaped gardens.
Hamptons International.
Tel: 071-493 8222

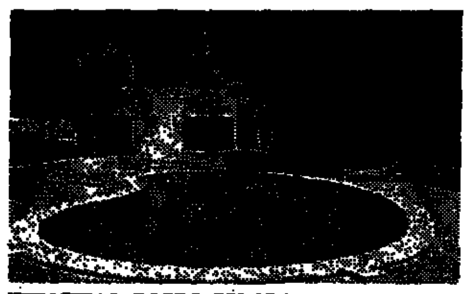
SURREY – CHIDDINGFOLD
A period country house in an idyllic lakeside setting.
3 reception rooms, kitchen/breakfast room, 5 bedrooms, 2 bathrooms (en-suite). Indoor swimming pool. Cottage. Garaging. Stable block. Formal gardens and grounds. 2 lakes.
About 30 acres.
Guildford Office. Tel: (0483) 572864



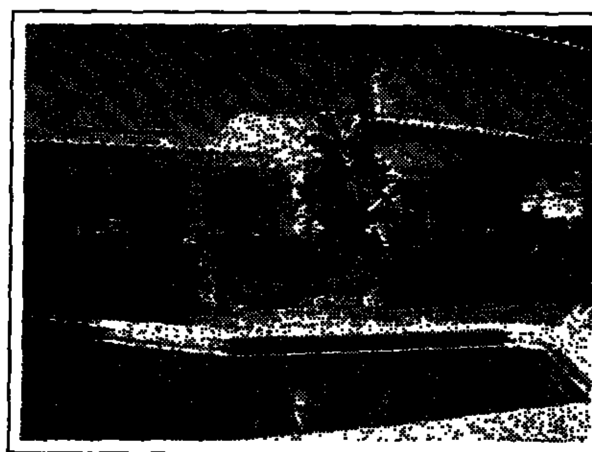
ESSEX – LITTLE EASTON
Great Dunmow 2½ miles.
A magnificent Georgian country house.
Hall, 4 reception rooms, 6 bedrooms, 4 bathrooms. Flat. Tennis court. Paddocks and woodland. Converted listed barn, with 3 bedrooms.
About 23 acres. Great Dunmow Office: Tel: (0371) 872117 or Joint Sole Agent: Strutt & Parker Chelmsford. Tel: (0245) 258201

MALLORCA – PORTALS NOUS
An outstanding, spacious house in an elevated and private position with panoramic views over the sea and the coast.
Hall, 3 reception rooms, kitchen/breakfast room, conservatory, 5 bedrooms, 5 bathrooms. Staff apartment. Swimming pool. Tennis court. Gardens. Garaging.
Hamptons International.
Tel: 071-493 8222

GLOUCESTERSHIRE – NEAR TEWKESBURY
Cheltenham 12 miles. M50/M5 access 1½ miles.
A substantial house on the edge of the hamlet with unspoilt views across the Avon Valley.
4 reception rooms, billiard room, 6 bedrooms, 3 bathrooms (1 en-suite). Tennis court. Paddock.
Cheltenham Office. Tel: (0242) 222909 or Head Office. Tel: 071-493 8222



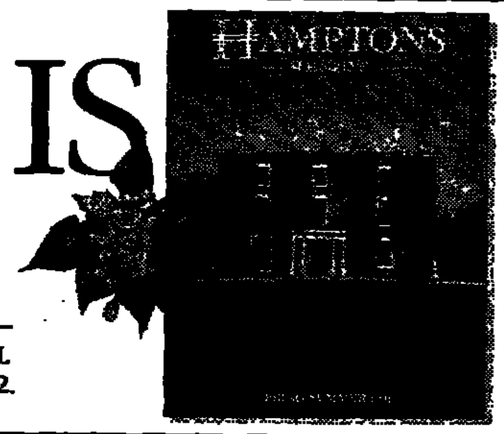
FUNCHAL COUNTRY CLUB, NEAR LAGOS, WESTERN ALGARVE
Individually designed luxury villas in the exclusive Funchal Country Club.
½ acre plots offering privacy and outstanding views to the sea. An area of the Algarve suited for permanent or holiday homes. Management and lettings facilities. From £125,000.
Hamptons International. Tel: 071-493 8222



SPAIN – LAS BRISAS, MARBELLA
A immaculate villa, fronting to Las Brisas golf course, with mature landscaped gardens shrouded with sub-tropical plants and trees.
Hall, 2 reception rooms. Terraces. Swimming pool. Double garage with direct access to the fairway.
Hamptons International.
Tel: 071-493 8222

LONDON – HAMILTON TERRACE NW8
A fine period house in excellent condition, in this most sought after road.
5 reception rooms, 4 bedrooms, 2 bathrooms. 100' garden. To include 1 bedroom Mews house.
Freehold.
To be sold by auction on 22nd May 1991 (unless sold prior).
Hampstead Office: Tel: 071-794 8222

SPRING IS



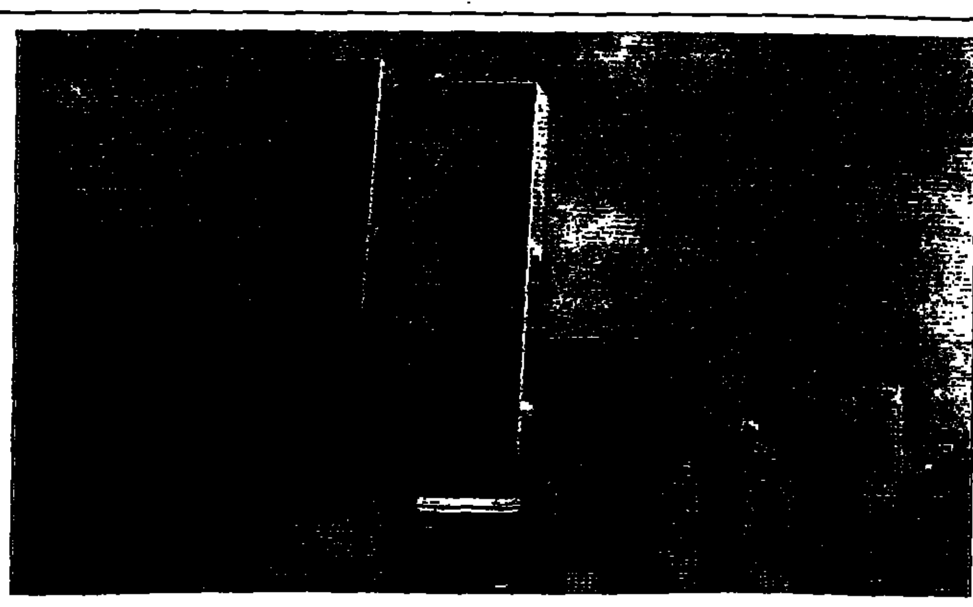
OUT NOW - PAGE AFTER PAGE OF PRIME TOWN AND COUNTRY PROPERTY.

AVAILABLE FREE OF CHARGE FROM YOUR LOCAL HAMPTONS OFFICE OR BY CALLING 071-493 8222.

PRODUCED IN CONJUNCTION WITH HOMES & GARDENS

Head Office: 6 Arlington Street, St. James's, London SW1A 1RB. International Enquiries: Facsimile: 071-491 3541
Hamptons Residential: *Offices in England and Scotland, The Channel Islands and Hong Kong, with associates in Europe and The USA.*

LONDON PROPERTY



In 1626, Peter Minuet bought Manhattan for a ridiculous price. Now, here's an even better deal.

When Peter Minuet bought Manhattan from the local Indians, he got something of a bargain.

But even he *would* have been impressed by the deal on apartments at Cumberland Mills.

Up to 30% off list price and mortgages subsidised down to 7.5%.

Yet Cumberland Mills is the ultimate London development. Close to Canary Wharf, with spectacular views of Wren's Greenwich.

Telephone the Sales Office now on 071-538 4030. Before Peter Minuet does.

SAVILLS   CUMBERLAND MILLS   BATES

*Please ask the Sales Office for details. Your home is at risk if you do not keep up with payments on the mortgage or loan secured against it.

In a buyer's market who needs someone to hold their hand?

Any serious buyer of a Central London house or flat.

This is because buyers today need advice to choose a genuine "good buy" from the bewildering mass of unsold properties.

They also need our inside knowledge to uncover fresh properties which are often not openly marketed.

We drive a hard bargain on your behalf and are the most respected company in our field.

This is why we are the exclusive property buying service for SOTHEBY'S

PROPERTY VISION

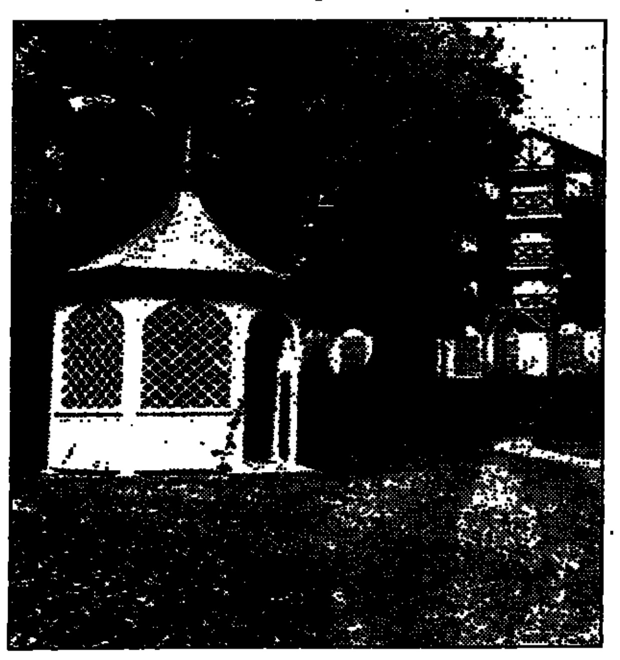
15 CLEVELAND SQUARE LONDON W2 6DG
FAX 071-724 8634 TELEPHONE 071-723 6578

. . We're in business for the buyer.

COUNTRY PROPERTY

WOODSIDE GRANGE

Spectacular new two bedroom, two bathroom apartments in the most exclusive part of one of London's greenest areas, close to Woodside Park tube. From only £119,950



Woodside Grange, Holden Road, Woodside Park, Finchley N12.

New apartments with Italian kitchens, fitted carpets, video entry systems, underground parking and a truly desirable setting giving easy access to Central London and the M25/M1. From as little as £119,950 for 4 week exchange of contracts.

Show apartments and sales office open every day from 11am to 6pm. Telephone: 081-446 2399.

NATIONAL WINNER OF THE BUILDING INDUSTRY'S SUPREME AWARD FOR QUALITY

BARRATT EASTERN COUNTIES

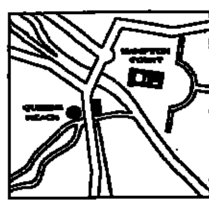
Buy a dream by Hampton Court by the river

A mere few hundred yards from Hampton Court Palace is Queens Reach. An exclusive development of seventy five beautiful period style apartments nestling by the serene River Mole.

The spacious apartments, most of which have superb river views are designed for easy living. They are impeccably finished with meticulous attention to detail. Features include mahogany double glazed windows; fitted kitchen; elegant fireplace; en suite bathroom; independent gas central heating; passenger lifts; porterage; video entry phones; quality carpets throughout; and ample parking with garaging.

Prices range from £99,600 for the one bedroom apartments, to £285,000 for the truly magnificent penthouses.

Queens Reach is a rare opportunity to live in style in an idyllic setting. For viewing contact Quinton Scott.



QUEENS REACH

Creek Road, East Moseley

QUINTON SCOTT 081-946 9600/7700

DANCON

A Dancon Homes development

WATERSIDE LODGES IN A BEAUTIFUL SETTING

BUCDEN, CAMBRIDGESHIRE WITH ACCESS TO SOME 200 MILES OF INLAND WAREWAYS

24 Waterside leisure properties all built to a very high standard in Scandinavian style. Each lodge having warefrontage and option of private mooring at the bottom of the garden. The accomodation offers spacious living on two floors with up to 4 bedrooms.

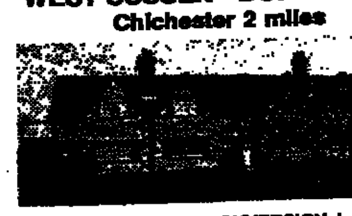
Ownership allows access to a 250-berth Marina, a 52 acre watreskl lake, 18 hole golf course and a brand new leisure club (July 1991), offering heated indoor swimming pool, spa, sauna, gymnasium, bar and restaurant.

Visit our SHOW LODGE at Buckden Marina and find out about membership to the Watermark Club.
"WE ARE OPEN EVERY WEEKEND."
For more information telephone today for our brochure:
Telephone: 0480 810955

The Watermark Club

STRIDE & SON
ESTABLISHED 1890

WEST SUSSEX - DONNINGTON
Chichester 2 miles



FOUR PERIOD COTTAGES FOR CONVERSION, in rural location close Harbour, with views of Chichester Cathedral and the Sussex Downs.
To be sold individually or as one.
Informal Tender 25th April 1991.

Full details: Southdown House, St. John's Street, Chichester. PO19 1XQ Tel: (0243) 782626

HOPE COVES. Devon. Holiday Barns for Group Ownership. 2/3 beds, f/furn. Ind pool, tennis, resident Manager & your own farm fr only £17,825! Broch. (0548) 561393.

ENCHANTING 19C Imposing Mansion. Nr. Dyce airport, sea, golf.15 rooms, garage, stable, 8 acres. Tel: 031 555 1200 ref: Longhaven.

COTSWOLDS Bourton on the water. Circa. 1810. Stone beamed cottage in excellent condition £89,950. Tel: (Day) 081 203 9099 (Evening) 081 455 1019.

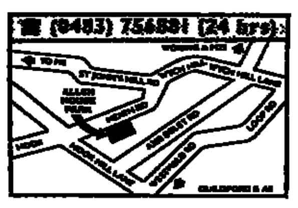
S.DEVON. 14 acres with 2 small lakes and buildings for horticultural or equestrian use near Totnes, suitable garden or riding centre. Chamberlaine-Brothers & Michelmore, 22 Southernhay East, Exeter (0392) 79018.

HOOK HEATH

MOVE IN NOW!

- Shown: "The Burghley", 5 bedrooms, en-suite bathroom, dressing area french doors and balcony to master bedroom. Kitchen, utility, study, dining room, cloakroom and lounge with french doors leading to garden. £299,950. This superb home is ready now and a quick exchange is required to take advantage of this special price!
- Within hour's drive of central London
- Rural outlook

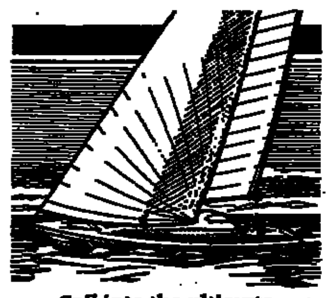
☎ (0483) 756881 (24 hrs)



Showhome open daily
12 noon to 6 pm

ALLEN HOUSE PARK
HOOK HEATH ROAD
HOOK HEATH
WOKING

Alfred McAlpine Homes



Sail into the ultimate 3 bed marina homes.
Port Solent, Portchester, Portsmouth (2 minutes M27).
Three bedroom courtyard and waterside houses from £95,000.
Fully furnished show complex open every day from 11am to 5pm. Tel: (0705) 210152

Georgian House
(Grade II)

Stoke Poges. The unique Elegy House. First time on sale since 1802. Magnificent home with architectural pedigree. 3 receptions, 8 bedrooms, 4 bathrooms. 1 acre. Within greenbelt.

£765,000
Home Tel: 081 789 0254
Work Tel: 081 876 8848

FORESTRY FOR SALE

An attractive and well balanced portfolio in three lots. The properties should show excellent income streams and capital growth, all in a tax free form.

The woodlands are well located for the major timber markets and have full sporting rights.

South Scotland 150 acres	£215,000
Central Scotland 242 acres	£205,000
Mid Wales 160 acres	£200,000

OFFERS AROUND £620,000

Fountain Forestry Limited, Mollington House, Mollington, Banbury, Oxon OX17 1AX. Tel: 0295 750000 Fax: 0295 750001

Somerset/Avon Border

Bristol 20 miles; M5 (junction 22 - 7 miles). An outstanding Residential and Commercial Agricultural/Sporting Estate. Fine Grade II listed Manor House (6 beds), Traditional Somerset Farmhouse (5 beds), range of three individual barns with consent for conversion to residential use, further modern and traditional outbuildings suitable for a variety of alternative uses and the surrounding gently undulating arable and pasture land with amenity woodland, in all about 320 Acres. Auction (As a whole or in up to 7 lots) Mid May.

Further particulars from Greenslades Tel: (0823) 277121 Ref: AMO.

HERTFORDSHIRE - BUSHEY HEATH

Only 13 miles from Central London, easy access to M1 & M25. A BRAND NEW LUXURY DEVELOPMENT of just four beautifully appointed family homes five minutes walk from Hartsbourne Golf and Country Club - 5 bedrooms, 4 bath/shower rooms (Whirlpool bath in Master Suite), 3 reception rooms, fully fitted kitchen/breakfast room with all appliances, utility room, full gas central heating. Dble glazed leaded windows, Dble garage with remote control door, landscaped gardens.

Three remaining plots priced at £475,000 - GENEROUS PART EXCHANGE SCHEME - SHOW HOME OPEN STURDAY AND SUNDAY 10.00 am - 4.00 pm 081-420 4666 or telephone Black Horse Agencies Salmoness on 081-950 7281

AUDLEY HOUSE

Luxury penthouse apartment, Great Austins, Farnham, Surrey, in prestigious new development by 1991 House Builders of the Year Award Winner.
Price £234,950
Contact Woolwich Property Services on 0252 715261

CLUTTONS

WEST SUSSEX
South Mundham

Chichester 5 miles. London 72 miles Detached farm cottage built in 1930's. Situated in open countryside with exceptional views over Pagham Harbour Nature Reserve and the South Downs. 3 reception rooms, 3 bedrooms, bathroom. Double garage, parking for 4/5 cars. 0.36 acres in all.

Price Guide £180,000
ARUNDEL OFFICE: (0903) 882213

ANGUS

For sale fully serviced plot extending to 1.550 acres or thereby. Overlooking 12th Fairway on prestigious Letham Grange Golf Course. Leisure facilities on estate comprise Victorian Mansion Hotel. Curling and Golf Club all within easy commuting distance of Dundee (20 miles) and Aberdeen (48 miles). Further details from Gourley Mc Bain & Co Solicitors Arbroath 0241 76620

SURREY, SHACKLEFORD, NEAR GUILDFORD

Beautiful village house in conservation area, listed early Georgian. 4 beds, 4 receptions, 2 baths, 2 acres, walled garden, grass tennis court, small barn. Easy access to A3. Airports, good train service to London (Waterloo 42 mins). Offers around £500,00.

Ring 0483 810257

LETCHMORE HEATH.

Lovely village nr. Radlett Herts. M25 4 miles. Beautifully renovated 6 bedrooms, 4 ensuite bathrooms; 6 reception rooms, luxury detached house. Electronic entrance gate & monitored security. Swimming pool.

O.I.R.O £795,000
0707 49779.

Between the Lakes and North Yorks Dales. Dent Nr. Sedbergh

M6 10 mins drive. Beautiful 17th C. farmhouse together with imaginatively converted barn, paddocks, orchard, outbuildings. Scope for further development. Ideal family home/business premises/ workshops, holiday letting income, B+B potential etc. Offers around £350,000 or will sell separately.

Tel 05875 210 or 09662 5508

CORNWALL
Holiday Home Investment

Nr Plymouth det. lux bungalows set in beautiful 15 acres in quiet secluded valley. Swimming pool, tennis ct, play area. Fully furn. 1st release £58,950, with CGT roll over relief. Can be self financing.
For brochure ring 081 589 8867
or Fax 081 589 8886

RURAL SURREY. Excellent commercial equestrian opportunity in 32 acres. Planning consent for substantial dwelling. Offers invited. Equus 0825 38272.

CHORLEY WOOD, Herts. Stunning contemporary residence in south facing double plot. Inc swimming pool complex. Prime residential location. Offers are invited. Robert Widmore & Co. 0923 30466.

BEDFORD
COUNTRY PROPERTY AGENTS

NEWMARKET
(7 miles)

Fine Georgian house with RIVER FRONTAGE 2/3 Reception, Kitchen/Breakfast with "AGA", 5 Bedrooms, 2 Bathrooms. 1 Bedroom Flat. Set in 1 ACRE. Keenly price £295,000 freehold

0284 769999

MUCH HADHAM, HERTS
Bishops Stortford 5 miles

Superbly located family home in large mature grounds. Hall, three receptions, Smallbone kitchen, utility, 5 bedrooms, 2 baths, gas central heating, annexe, double garage, hard tennis court, exceptional garden. £440,000.

Mullucks Wells
0279 755400.

Where is this place?

With Sandown Golf Course	10 minutes away
Kempton Park Race Course	10 minutes away
Sandown Race Course	10/15 minutes away
Sandown Ski Course	10/15 minutes away
Antique shops & period restaurants in a fine village atmosphere	2 minutes away
Bushey Park Stables	5 minutes away
Molesey Rowing Club	2 minutes away
The 3rd largest shopping centre in SE. London	5 minutes away

Quick & easy access to Heathrow & Gatwick

It's HAMPTON COURT

Wards are building a small unique development amidst the splendour of the Palace Gardens, the parklands and with the River Thames Close by. Homely, private & secure. 4 SUPERB NEW 4 BEDROOMED RESIDENCIES. Prices from £360,000 for a quick exchange.
For details phone - 081-640 0044 (or 081-977 7211).

CORNWALL TAX SHELTER
For Capital Gains Tax Roll Over Relief

Holiday Homes with full Management Services are being constructed and sold by a leading West Country Holiday and Construction Company. These new purpose built 2, 3 and 4 bedroom villas are on Managed Leisure Villages with many facilities. The villages themselves are strategically positioned to be effective players in the flourishing, quality UK Holiday Market.

PRICES – fully furnished

£39,000 to £75,000

Full brochure pack and/or video from:
Domaine Leisure Ltd, Domaine House, Gulval, Penzance, Cornwall TR20 8YN Tel: 0736 60260 or Fax: 0736 51219

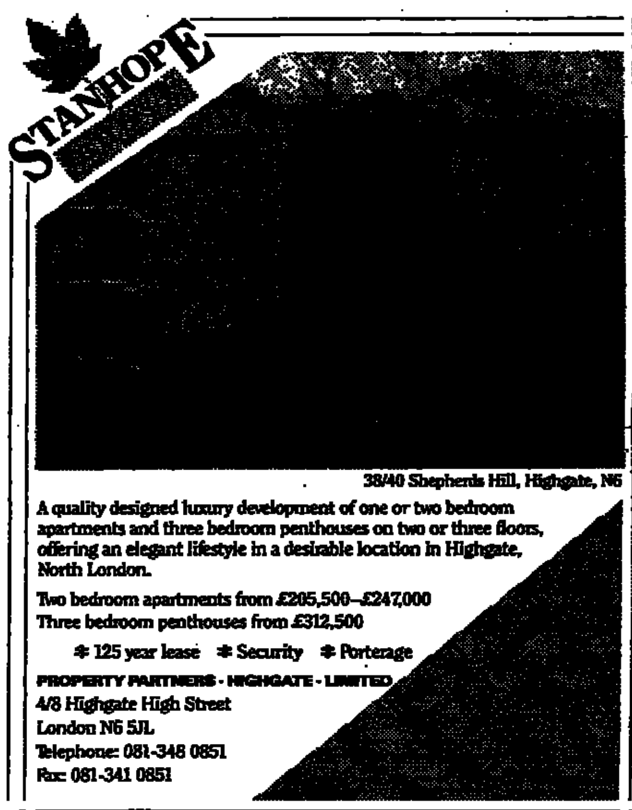
COUNTRY RENTALS

EXMOOR. DULVERTON.

Delightful country house.
4/5 bedrooms,
stables, garage,
large maintained garden.
Min 6 months
(evening Tel: 071 731 4881).

LONDON PROPERTY

STANHOPE



38/40 Shepherds Hill, Highgate, N6

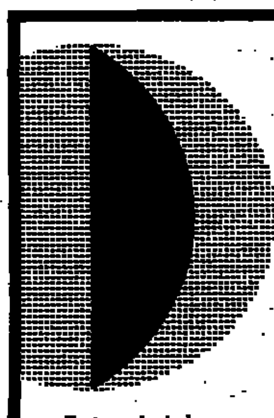
A quality designed luxury development of one or two bedroom apartments and three bedroom penthouses on two or three floors, offering an elegant lifestyle in a desirable location in Highgate, North London.

Two bedroom apartments from £205,500–£247,000
Three bedroom penthouses from £312,500

* 125 year lease * Security * Porterage

PROPERTY PARTNERS - HIGHGATE - LIMITED
4/8 Highgate High Street
London N6 5JL
Telephone: 081-348 0851
Fax: 081-341 0851

Cosmopolitan Covent Garden



MERIDIAN PLACE

3 Upper St Martin's Lane Covent Garden WC2

Only five one bedroom apartments remain in this prestigious new development.

Features include:

- *Private secure parking*
- *Quality white bathroom suites*
- *Lift*
- *Luxurious kitchen with AEG appliances*
- *Video camera security system*

Prices from £152,500 to £154,500

SWEBY COWAN 071 631 5313
E A SHAW & PARTNERS 071 240 2255

FOLKES SOLICITORS EST. 1918

MATRIMONIAL - SEPARATION - MAINTENANCE
INJUNCTIONS/WARDSHIP/CUSTODY/ACCESS
LEGAL AID WORK UNDERTAKEN
* * * * *
CONVEYANCING £180
Sale/Purchase/Remortgage/Residential Property.
Fee includes mortgage related work when we act for your lender. Plus VAT & Disbursements.
120 WILTON ROAD, VICTORIA, LONDON SW1V 1JZ
61 GREENFORD AVENUE, LONDON W7 1LL
TEL: 071 233 5222 081 840 3333

CLUTTONS

CHISWICK MALL, W4

One of the finest Houses in Chiswick Mall in recent years. Grade II listed, Strawberry House is a delightful early Georgian House, famed for its beautiful walled garden. Set in just under one half of an acre it offers spacious family accommodation with glorious southerly views over Chiswick Eyot & the River Thames. 5 Beds, 3 Baths, 4 Recept Rms, Recept Hall, Kit & Utility Rm. Clkrm. Wine Cellar. Single & Dble Garage. Landscaped Walled Gdn with Ponds & Lge Terrace. Front Gdn with approx 100 ft Frontage onto the River Thames. SOLE AGENTS FREEHOLD. PRICE ON APPLICATION.

Mayfair Office, Tel: 071-408 1010

THE MANOR
DAVIES STREET, W1

A beautifully presented ground floor Flat in this prestigious block in Mayfair, 2 Beds, Bath, Shower Rm, Drawing Rm, Study, Dining Hall, Kit. LEASE 71 YEARS. £373,000.

Mayfair Office, Tel: 071-408 1010

Call it your own
COMPANY GUEST HOUSE
in London

Beautifully furnished Townhouses FOR YOUR VISITORS OR STAFF in good North London suburbs.
From £15 p/p/p/n or £800 pw for entire house for up to 10
From 1 week to 1 year.
Tell us your requirements
THE TOWNHOUSES 081 203 3383
FAX: 081 203 7754

PIMLICO SW1 A charming family house in this prime residential street, 4 bedrooms, dbl recep, dining room, study area, kitchen, e/s bath, shower rm, secluded garden, BR, GCH, ample storage. Freehold £425,000. Maurice Cowin Associates Tel: 071-730 6126, Fax: 071-730 6082.

20 YARDS FROM HYDE PARK, W2

Fully refurbished Grade II listed Georgian house with many original features and self contained Granny Flat

Drawing room, Dining room, Study area, 4 Bedrooms, 2 Bathrooms, Guest Cloaks, Fully fitted Kitchen/Breakfast room, Utility room, Private Patio Garden and Roof Terrace, U/g car parking + ResPark, Gas CH and CHW

Plus: Granny flat with Reception, Bedroom, Kitchen, Shower room.

FREEHOLD £645,000

Lurot Brand
071-402 1146

CLUTTONS

EATON SQUARE BELGRAVIA, SW1

A magnificent Maisonette with its own private entrance and superb South Facing Garden. The flat has been redesigned and refurbished to the highest possible standard. Main Bed, Dressing Rm & Shower Rm Suite, 2nd Dble Bed & Bath Suite, Drawing Rm, Dining Rm, Kit, Guest Clkrm.
LEASE 60 YEARS - £975,000.
Mayfair Office, Tel: 071-408 1010

ST JAMES'S, SW1

A well proportioned, two bedroom Flat, on the 4th floor of this attractive mansion block in between Jermyn Street and King Street. 2 Dble Beds, Bath, Shower Rm, Drawing Rm, Dining Rm/Bed 3, Kit/B'fast Rm, Ent Hall. Balcony. Ind HW & CH. Lift. Caretaker. Parking Available to Rent. LEASE 24 YEARS. £275,000
Mayfair Office, Tel: 071-408 1010

CLUTTONS

SCARSDALE VILLAS, W8

A lovely, unspoilt period family House with a delightful garden in this most attractive Kensington backwater. 4/5 Beds, 3 Baths, 2/3 Recept Rms, Kit/B'fast Rm, 2nd Kit, Clkrm, GCH. 55' Garden. FREEHOLD. £650,000.
Chelsea Office, Tel: 071-589 1122

PETERBOROUGH VILLAS, SW6

Totally quiet and unusually spacious, one of Fulham's finest family Houses with all the atmosphere of a country house. Principal Bed, Dressing Rm, Bath, Shower Rm, 4 further Beds and Bath, Drawing Rm, Dining Rm, Garden/Playroom, Kit/B'fast Rm, clkrm etc. GCH. Large Garden. Off Street Parking.

FREEHOLD. £645,000
Joint Sole Agents - Cluttons
Chelsea Office: Tel 071-589 1122 &
George Stead: Tel 071-731 8480

SW1 ST JAMES'S. Immaculate f.f. pied a terre, 1 bed flat (private sale). £185,000 ono. Tel: 081 460 2377

W1 PRIVATE SALE: £185,000 Company flat f.f. 2 bed, good condition. Long lease. Tel: 081 460 2377

PARKSIDE, KNIGHTSBRIDGE SW1. Large 3/4 bed apartments to let unfurnished in elegant Edwardian mansion block, with stunning views over Hyde Park. Entrance Hall, 1/2 Receps, Kit/Bkfst Room, 3 Bathrooms, 24 hour Porterage. From £800 p.w. Sole Agents Mellersh & Harding Tel: 071-499 0866. Fax: 071-408 1387.

STEPHENSON PROPERTY SEARCH.

Let me do the looking.
Carolyn Stephenson
Tel: 071 585 3536

LONDON RENTALS

ST JAMES'S STREET, SW1 TO LET

A beautifully decorated apartment with luxury fittings situated in a stunning mansion building with excellent security in this prestigious location.
3 bedrooms 3 bathrooms 2 reception rooms
£1,200 pw.
ALLSOP & CO 071 584 6106
KATHINI GRAHAM 071 584 3285

EX-DIPLOMAT W1/MAYFAIR. Luxury furnished 4 bedroom, 2 bathrooms, 2 recep. Gdn. Pkg. £485 pw. 071-724 3811.

ST. JOHNS WOOD Top, executive, luxury, furnished flat 3 beds, 2 baths, garden, balconies. £375 p.w. 071-722-0844.

TRANQUILITY ON CITY FRINGES

Located just 10 minutes walk from Broadgate & the city, sympathetically refurbished Victorian Church & Vicarage converted to provide 31 luxury 1 & 2 bedroom apartments fully fitted & equipped yet retaining many features.

Also choice of 3 amazing split-level duplex penthouses available as "shell finish" or completed to your own layout & design.

Great value at between £80,000 - £88,500
Plus penthouses on application

Show flats & sales centre open daily

11.00 a.m. - 7.00 p.m.
Call at:-
The Sales Centre - St James' Court
331 Bethnal Green Road, E2
Or telephone
071 613 1765

Sole Agents
R·B·B
RICKETTS·BOREHAM·BLISS
Surveyors - Valuers
Land & Estate Agents
081-980 7431

St James

SPORTS/MOTORING

The struggle to forge British steel

***John Barrett** visits Bisham Abbey where a young generation of tennis players is being trained*

IT WAS reassuring to see him out on court again, a chunky figure with the same shaggy look, the same fiery forehand, the same sliced backhand and the same fierce determination. My mind spun back to Bournemouth in 1958 and the final of the British hard court championships.

But today Bill Knight was not trying to outwit the subtle Italian, Guiseppe Merlo, as he did so magnificently that chill April afternoon long ago. Now he was trying to instil in two of the Lawn Tennis Association's Bisham Abbey schoolboys a little of the steel he always showed as a high-class match player in his prime.

"Yes . . ." he barked, as Andrew Richardson stumbled in turning for a wide ball, ". . . you *can* do it, *come* on." And the tall, gangling Lincolnshire lad wrenched his 6ft 5in frame in a convulsive lunge and somehow returned the ball over the net. The point had been made.

"Somehow we have to convert promising 15- and 16-year-olds into hard, competitive seniors. Nothing else matters," said Knight. "For 20 years we've failed to do it and the rest of the world has overtaken us. It's all very frustrating because at the 14s stage we can hold our own with anybody."

With Knight newly appointed to manage Britain's national training for men on a full-time basis there is a chance that at last Britain might start to get it right. "Two-and-a-half years with junior teams on the satellite circuit has convinced me that it is a totally new game. You cannot survive today unless you have power. Even on slow European clay they hit blazing winners. You must be physically powerful too – you have to be able to hurt your opponent. The work rate of today's best juniors is phenomenal. We have got to get our fellows into that league."

One of the seven boys at the Rover LTA tennis school, where there are also four girls under instruction from the former Soviet champion, Olga Morozova, is Lee Sabin, a 15-year-old from Dorset. He also attends Great Marlow School and will take his GCSEs this summer. The timetable allows him to play four hours' tennis a day and complete the training schedules devised by resident trainer Steve Green.

It is something of a surprise that someone who did not pick up a racket until he was 10 should be at Bisham at all. "I did karate at junior school," Sabin remembers, "but one day I picked up a leaflet advertising a tennis course at the West Hants Club in Bournemouth and I went along with a friend. My parents never thought I'd be any good – my mum wouldn't even buy me a decent racket. Then I entered a 10-and-under tournament at Weymouth. They were really surprised when I won it."

Progress was rapid. Victory in the 1988-9 national winter series led to selection for British teams the following year. A wild card entry for the recent Dewhurst International tournament, Sabin was competing against older boys from Germany, Sweden and Britain. Everyone was rather impressed when he beat the lot.

"I'm very ambitious," he says. "I compare well with players of my age group in other countries. I want to become a top player very badly. I'm prepared to put in the hard work and I have the determination to succeed. There's not much wrong with my shots and Peter Terry (the sports psychologist engaged by the LTA) has helped me enormously with the mental side – overcoming frustration and nerves and finding relaxation in matches. Now I'm here at Bisham I have the opportunity. I don't intend to waste it."

"Somehow we have to convert promising 15 and 16-year-olds into hard, competitive seniors. Nothing else matters."

The attitude is right, no doubt about it. It reminded me of my first meeting with Pete Sampras, the American boy who last September, aged 19 years 28 days, became the youngest-ever winner of the US Open. In 1988 Pete was a shy, leggy teenager when I watched him deploying his embryonic skills under the strong desert sun at Indian Wells, California.

He seemed almost apologetic as he saved three match points in beating the Indian No 1, Ramesh Krishnan, and then beat his friend and frequent practice partner, the hardened circuit professional Eliot Teltscher. It was probably just as well that he was brought down to earth by Emilio Sanchez in the third round because he was on special leave from school.

Even then, beneath the shy exterior there was the ambition, the belief in his own ability, of a future champion. I remember thinking how like the young Rod Laver he was, perhaps because the great Australian had become his role model ever since his coach, Dr Pete Fischer, had played him video tapes of some great matches from the 1960s.

When I first saw him, Sampras had no technical weaknesses. Already, in rough outline, there was the basis of the devastating game that he deployed with such skill at Flushing Meadow last year – a powerful serve, glorious, flat groundstrokes taken very early after the bounce, and sweet touch on the volley.

Yet, as he told me, it had not always been like that. "As a junior I used to have a double-handed backhand. I was just trying to play the way all the other kids played: counter-punching from the baseline. I couldn't serve properly and I really had no idea how to volley. I was getting nowhere, I simply wasn't improving."

It was an agonising decision to change to a single-handed backhand when the two juniors who consistently beat him were Michael Chang and Andre Agassi – both two-handers. To his credit, Fischer could see Pete's potential as a serve-and-volley man. Like the wise Swedish coach, Percy Rosberg, who left Borg with his two-handed shot but changed Edberg to a single-handed backhand, Fischer won his argument with Sampras. But they fell out later when Pete did not seem able or willing to give the game the sort of commitment that his coach knew was required.

Finally Sampras was jolted out of his lethargy and went to the Nick Bollettieri academy in Florida where he started working with Joe Brandi. The chemistry worked and Pete never looked back.

Whether in a few years' time I shall have the same happy story to tell about young Lee Sabin depends upon so many imponderables, not least his raw talent which, I have to say, does not seem to be as great as Sampras' was in 1988, mostly because he lacks the physical stature of the American at the same age.

But whatever the scale of Sabin's ultimate achievements, we can at last be sure that with Knight guiding him and Tony Pickard waiting to pass on the street-smarts learned from eight years on the circuit with Stefan Edberg, when and if the young man ever achieves Davis Cup selection he will be far better equipped to succeed than any Briton in the last 20 years. You cannot ask more than that.

Sampras: single-minded model

Fernando the deceiver lays down his arm

***Jurek Martin** celebrates the place in baseball history of a fat, left-handed, Mexican screwballer who has lost his job with the LA Dodgers*

THERE ARE two great things about baseball (and cricket, come to that). The first is that it makes perfectly normal writers express themselves in ways generically alien to their craft, either for the better or for the worse.

The second is History. There is no longer anything new under the sun, not even a split fingered fastball, unless it be a left-handed second baseman – and somebody will probably write in to say there have been 76 of them, too, though I bet they all played in the dead ball era.

But History is also personal. You can get a lot of it from books and faded newsreels but there is no substitute for that initial, delicious, direct exposure. It is like the first kiss – and/or what every American politician from George Bush down now calls "a defining moment."

So when, in the spring of 1981, I first came across Fernando Valenzuela, I saw more than a fat left-handed 20-year-old Mexican in the uniform of the Los Angeles Dodgers who could make a baseball sing *la cucaracha* en route to the hapless batter (you see what I mean about writing).

What I thought I saw was the end of a 15-year search for the reincarnation of a stocky right-handed Dominican (republican not friar) who delivered a baseball with his left foot pointing to the sky, whirling into action like "a giant piece of demented farm machinery" (Roger Angell) and who could "throw all day within a two ` ` space, in, out, up or down – I've never seen anyone as good as that." (Hank Aaron).

You see, I was completely hooked on deception. For while there always have been, and will be, pitchers who can blow a batter away with the sheer overpowering majesty of their stuff – Johnson, Alexander, Feller, Koufax, Gibson, Ryan, Clemens – my indoctrination in the mid-60s had been by one supremely versed in the subtler, more devious arts.

This was Juan Marichal of the San Francisco Giants, the aforementioned Dominican Dandy, also known, obscurely, as Manolito. His great ability was not simply to make batters miss – though he could do that well enough, too – but to make them hit the ball precisely where he wanted them to hit it: that is, straight at a fielder.

It was Marichal and his ilk in the most recent golden age of pitchers who brought about the last-but-one small revolution in the rules of the game. So dominant were they, so many low-scoring, low-hit, two-hour games were there, that in 1969 the powers-that-be chopped seven inches from the height of the mound from which the pitcher delivers, thus reducing his advantage. The scoring went up and the crowds flocked back, but for me the thrill went down a bit.

My ideal game had actually taken place a few weeks before I arrived in San Francisco in 1963. It was an atavistic duel between Marichal and the ageing genius, Warren Spahn. It lasted for four hours and 15½ innings, with not a run in sight, until Willie Mays took Spahn downtown in the bottom of the 16th. That was real pitching; these days, they would have relief pitchers in by the seventh.

So when Fernando Valenzuela really burst on the scene at the start of the 1981 season, throwing a wondrous series of complete game shut-outs courtesy of that most difficult and subtle of pitches, the screwball, and replete with an action different from, but almost as bizarre as, Marichal's, I thought I had my second coming, which at least took the mind off the start of the Reagan administration.

So moved was I that in a fit of generosity the *FT*, not known for its interest in baseball though increasingly worried about Mexican indebtedness, allowed me 1,000 words to commemorate the arrival of what a brilliant sub-editor headlined "a pitcher of innocence."

And, for half-a-dozen years, even if that initial burst of excellence was not entirely sustained, it was fine. Nobody would seriously question the proposition that Fernando was the premier left-hander in baseball from 1981 to 1986. Above all, more than any contemporary, he tended to finish what he started. In his best year, 1986, playing for a notoriously poor fielding Dodger team, he completed about 60 per cent of his games. These days starting pitchers, on average, manage a measly 15 per cent; in his pomp, Marichal finished four out of five starts.

I even recall (I think it was 1986) breaking a dinner in New York to catch Fernando on TV going head-to-head with the new hot property, Dwight Gooden of the New York Mets (who now seems to be the highest paid pitcher in the universe). It was almost a Marichal-Spahn duel again, duck eggs for 9⅓ innings, no runs, no pinch hitters, no relievers. I wanted it to go forever, but times had changed.

The last five years were harder for Valenzuela, though not for the Dodgers, who discovered Orel Hershisher, he of the record string of scoreless innings but now also recovering from arm surgery, and another Latin, Ramon Martinez.

There was a last brief blaze of glory from Fernando last season, his first and only no hitter, but they hit him all round the park in the last month of 1990 and they did the same this year in spring training. His fastball, never more than adequate, but mostly used to set up the scroogie, had become slower than most pitcher's offspeed curves. The control faded, too; trying to be so fine, he did not paint the corners but missed them – and gave away walks, the ultimate killer.

So now Fernando is no more – or, to be precise, 141 regular season wins, too many innings, one arm operation and too many doughnuts later, the Los Angeles Dodgers, his only team, to whom he was a talisman and, with a large local Mexican population, an enormous breadwinner, decided he could hack it no longer. Ten days before the season started last Monday, they released him.

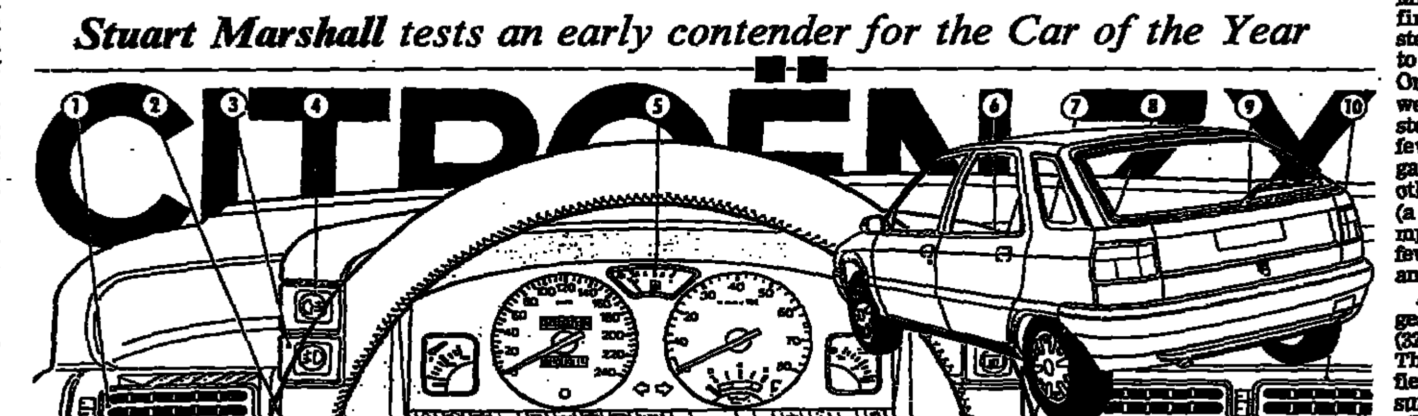
It is always possible that another team will pick him up. It is always possible that his residual skills and sheer guts will enable him to hang on as a marginal junk ball pitcher, like Frank Tanana, the quondam fireballer, has for 10 years since his arm went. He could switch to the American League, which does not know his scroogie. Anything might happen.

But that keen sense of History rediscovered is gone. It can repeat itself, of course. Last year's World Series was dominated by the Cincinnati pitcher, José Rijo. I saw him on TV and got the same sense of *dejá vu*. So I should have done; he was Juan Marichal's son-in-law.

But, in the off-season, he separated from his wife, which bodes ill for his pitching. All I am left with in the dowstairs loo is a baseball with a fading signature, just legible as Fernando Valenzuela. And the search goes on.

Classy Citroën fills a gap

***Stuart Marshall** tests an early contender for the Car of the Year*



Illust: James Ferguson

Interesting but not quirky: the high-tech Citroën ZX is the first car in its class to have a form of with rear-wheel steering.

EUROPE'S Car of the Year Contest will not be judged for another six months, and several more important cars will be unveiled before then. Even so, I would put money now on Citroën's new ZX being among the first three past the post.

For Citroën it is a crucially important model because it fills a yawning gap in its range between the AX supermini and the medium-sized BX family car. In Britain, one in every three cars sold is in this segment. So, on the reasonable assumption that ZX is going to be keenly competitive in price, its arrival in June will not best please Ford, Vauxhall or Rover, for it will come up against the top-selling Escort, Astra and 200/400 models. VW's Golf is also in Citroën's sights.

There are four models in the ZX collection for Britain. The 1.3 litre Reflex is for the aspiring young while a better-equipped Avantage version is for family motorists. The 1.6 litre Aura will be pitched at more sophisticated buyers and the 1.9 litre Volcane at hot-hatchback drivers.

Reflex and Avantage have 75 horsepower carburetted engines as used in the AX14. Aura and Volcane (fuel injected and with 89 and 130 horsepower respectively) have similar engines to a couple of BX models. All run on unleaded petrol. At the moment there are no diesel ZXs even in France, where one new car in three is diesel-engined, but they are not far off.

Every ZX – even a basic entry model with a 1.1 litre engine that will not be coming to Britain – has a 5-speed gearbox. Another feature is a currently unique-in-class rear suspension with what Citroën calls programmed self-steer. Forces acting on the car when it corners above a certain speed allow the rear wheels to swivel slightly in the same direction as the front ones.

As I discovered when I drove the ZX Reflex, Aura and Volcane in France last week, the patented self-steer works well. On roads so serpentine they made meandering English lanes seem almost straight, the ZXs cornered with impressive stability and precision.

Reflex and Aura (on the new Michelin MXT tyres) rode with traditional Citroën shock-absorbency and with a remarkable lack of road noise. Their suspension uses steel springs, not the gas/hydraulic system of the BX and XM models, but they felt as comfortable on all surfaces as their larger and more complicated brethren.

Apart from a tinny resonance in the exhaust at certain engine speeds, the Reflex was as refined as the more upmarket ZX models. Its steering was so effortless on the move I thought at first it might have been power-assisted; it was not. Even parking was less of an effort than it is in some quite small manually-steered cars. For smoothness and silkiness, the clutch and gearshift were up to Japanese standards.

The Aura, which was power-steered, was much zippier through the gears than the Reflex, rode just as comfortably and was, I thought, the ZX likely to do best in Britain. It has the right mix of ample performance, quietness and ease of handling with extras such as electric windows and a power-adjusted offside mirror. And it must cost far less to insure than the Volcane, with its GTi performance potential.

The Volcane, stiffer sprung and with higher speed-rated Michelin MXV2 tyres, had a firmer ride, even sharper steering response and proved to be quite indecently rapid. On the autoroute, it went so well I thought it prudent to stop at a service station for a few minutes in between toll gates. I cannot think of any other genuinely hot hatchback (a claimed maximum of 127 mph/204 kph) that demands fewer concessions on comfort and interior spaciousness.

All ZXs have low overall gearing, giving about 20 mph (32 kph) per 1,000 rpm in fifth. This makes them unusually flexible in town – the Volcane surprised me by running happily and even accelerating jerklessly from 25 mph (40 kmh) in top.

The official figures suggest average fuel consumptions of about 42 mpg (6.73 l/100 kms) for the Reflex and Avantage and 38 mpg (7.43 l/100 kms) for the Aura. The Volcane, driven by someone with great self-control or an intimidating number of penalty points on his licence, would return about 34 mpg (8.3 l/100 kms).

UK prices and specifications have not yet been fixed but my guess is a starting point of £8,000 for the Reflex, rising to £12,500-plus for the Volcane.

Cyclist get hot under the helmet

***Stuart Marshall** reviews the contents of his bulging mailbag*

THE LETTERS are still coming in, six weeks after I asked (this column, February 23/24) if car drivers had become a menace to cyclists.

For the most part, they are from people – so far all men – who drive cars on business but cycle for exercise and in the hope of getting some pleasure. Some also bike to work.

I plan to return to the subject at length in a future column when I have had a chance of analysing attitudes and opinions fully. But already it is clear that most cyclists do regard car drivers as hostile and aggressive toward them.

I wonder how they feel about cyclists who do things such as ignoring traffic lights, overtaking on the inside and riding unlit at night when they are driving cars themselves, not riding bikes?

No doubt some driver-bikers out there will tell me.

One tentative general conclusion I have reached after reading all the letters, is that as traffic densities and speeds increase, standards of behaviour worsen and tolerance levels fall, there will have to be greater separation of all kinds of road users.

There will be more railings, bollards and so on to keep motor vehicles off pavements; in towns, private cars and light commercial vehicles will be kept apart from buses more than they are now.

Heavy lorries may have to be banished from urban areas altogether at certain times of the day. And push-bike riders might even have to accept that, unless special tracks are provided for them, pedal cycles and rush-hour traffic in city centres really do not mix safely any more.

AS THEY SAY IN EUROPE

Poles apart, again

NEXT WEEK the European Bank for Reconstruction and Development inaugurates itself in London with a conference involving about 25 heads of government on the "Architecture of Europe." Well, I can report that the "Common European Home" of which president Gorbachev speaks with such affection is taking shape, but that it is going to be nothing like *Mon Repos*. The model is South Fork ranch, from where the feuding Ewing clan was able to intimidate and terrorise its neighbours in *Dallas*.

Last weekend's visit to the dilapidated east wing, formerly known as the German Democratic Republic, by Helmut Kohl "aroused little interest" according to the Swiss daily, *Neue Zuercher Zeitung*. In fact he was pelted with eggs, but it seemed that many of the residents had gone off to get drunk and tell the Poles arriving from the servants quarters, now without visas, to clear off.

This demonstration of an old, nasty German tradition was condemned more loudly in Germany than anywhere else. *Dresdner Neueste Nachrichten*, published only a few miles from the frontier, wrote of the "shame" felt at the actions of what it called "under-aged skinheads" and police failure to take strong action.

Le Monde always relishes the difficulties facing its neighbours. It began its comment on the Polish visitors row thus: "A sad spectacle. The first Polish travellers to cross the the German frontier freely since the abolition of the visa requirements by the Schengen countries, were greeted by a volley of stones . . .

"The anti-Polish hysteria of a certain fringe of east German society, where the Berliners prepared their police and sanitary services as if facing the bubonic plague . . . should not lead one to forget that freedom of travel is a corollary of democracy."

In Berlin itself, *Tagesspiegel* devoted a page to the problem. It summarised the situation by running as the main headline the result of an east Berlin opinion poll: "The Poles were always Guilty of Everything." A picture of a long queue of foreigners was captioned: "Angst over Queues: The opening to the East is especially unpleasant for the poorer citizens. Cut-price stores overflow and often are sold out by midday. Behind the queues awaits the snake of xenophobia which spreads its poison even among those who have suffered nothing."

The Poles themselves seem to be the least worried by the storm. They continue to bear the burden of an inferiority complex towards Germany that seems to expect nothing more than insults and blows. In the Warsaw daily, *Zycie Warszawy*, Professor Jerzy Holzer was interviewed about how Poland could survive in the shadow of its dynamic western neighbour. He proclaimed: "West Europeans have all kinds of complexes about the Americans. We are scared of the Germans. The Lithuanians and the Byelorussians of us." Thus the structures of the Common European Home emerge.

With so many of the neighbours to worry about, it is not surprising that some members of the European family of nations take refuge in a "Why-can't-they-be-more-like-us?" attitude. The Budapest daily, *Magyar Hirlap* carried the following account on its front page: "Tensions become more and more strained in central Europe. A break-up of the USSR, Yugoslavia and, more recently, Czechoslovakia, now seems imminent. What does it mean for the security of Hungary? we asked Peter Deak of the Institute for Security Policy." Deak replied that armed force could be used in three neighbouring countries to counter instability. If this happened Hungary would have to develop a proper refugee policy.

But it is not everywhere that people regard their immediate neighbours with fear and dread. In some countries, it is your friends who are really scary. Thus the London correspondent of the left-wing *Frankfurter Rundschau*, Peter Nonnenmacher, saw his gory account of the revolt of the right in the Conservative Party headlined with the words, "High-wire Act over the Tory Party Snakepit."

James Morgan

James Morgan is Economics Correspondent of the BBC World Service

More power to your pate

HALF-A-CENTURY ago barbers' shops commonly offered an electrical service which purported to rejuvenate and restore hair. The barber would brush or comb the pate with a glass tube that glowed blue and emitted small, high-frequency sparks to tickle or irritate the scalp. The equipment could even take the guise of a hairbrush.

If a small Vancouver company called Current Technologies Corporation has its way, the idea will shortly reappear in modern guise. Its claim is to have skull cap which, when fitted close to the scalp, delivers electrical impulses for a few minutes to get hair growing again.

Its directors, anxious to avoid any suggestion that they might be snake oil merchants, are proposing to place their electrical appliances in clinics specialising in skin diseases rather than in the hands of hairdressers.

Current Technologies specialises in electro-therapeutics, which it says is a science based on the therapeutic properties of electricity. It claims to have identified the frequency and current most conducive to rekindling hair growth in follicles that are dormant but not dead – an important distinction. It calls the process electro-trichogenesis.

Electro-trichogenesis was discovered as a side-effect of another electro-therapy, electro-acupuncture *(Weekend FT, Feb 23)*, in which a small electric current injected from a probe replaces the more traditional needles. This was being investigated for the control of pain but was also seen to be stimulating hair growth.

The observation came to the attention of a man-and-wife team of venture capitalists specialising in mining companies. Ann and Robert Kramer acquired rights to the side-effect in 1987 and formed Current Technologies to exploit it. They recognised from the start that a tremendous amount of development work remained to be done before the medical community would be persuaded to mount clinical trials, says Robert Kramer.

The first clinical trial began two years ago. The University of British Columbia's division of dermatology, headed by Prof W Stuart Maddin, exposed the pates of 30 bald or balding men to a pulsed electrostatic field radiating from a hood that looked like the hair dryers found in beauty salons. The treatment lasted for just a few minutes, once a week, and bathed their pates in a fluctuating electric field. After 36 weeks the dermatologists concluded that 29 of their pates showed either new growth or no further hair loss.

The scientists say they could detect no side effects of the treatment. They suggest the mechanism could be much the same as that underpinning another electro-therapy in which a high-frequency field is used to hasten the healing of soft-tissue injuries and broken bones.

"Put hair growth and electricity together and you have an unholy combination," chuckles Prof Maddin, who says he started as a sceptic. He has since retired from his university post, joined the board of Current Technologies, and chairs its medical advisory board.

The next step is a much larger, multi-centre trial, just starting, in 15 clinics in the US and Canada. The trial will continue into next year and will cost the company several million dollars. The company hopes the outcome will be convincing enough for the FDA to award it a licence.

Kramer feels strongly that the treatment should not be sold to hopeless cases whose hair follicles have died. As Prof Maddin puts it: "You cannot grow grass on concrete".

David Fishlock

Essential Hotels

1

Pride of Britain

Chocks Away

Combine a sophisticated stay in one of over 30 hotels in Britain, many in unrivalled settings, with the thrilling experience of your first flying lesson. An ideal birthday, anniversary or retirement present. Write: POB, The Greenway, Shurdington, Cheltenham, Gloucestershire GL51 5UG.

2

ESSEBORNE MANOR

Set in the scenic North Wessex Downs, Esseborne Manor, a Pride of Britain member is ideally placed for touring and walking in the South. Salisbury, Winchester and Newbury Races.

Write: Esseborne Manor, Hurstbourne Tarrant, Andover, Hants SP11 0ER

3

HOT AIR BALLOON WEEKENDS £180

2 nights D. B&B. Champagne flight Luxury Hotel Superb Countryside

THE WYNNSTAY HOTEL OSWESTRY SHROPSHIRE 0691 655261 FAX 670606

4

Isle of Eriska

Robin and Sheena Buchanan-Smith invite you to stay at the Isle of Eriska 100 miles north of Glasgow. Cross by private vehicle bridge to the seclusion of 300 acre island. Internationally acclaimed Scottish Tourist Board 5 Crown Highly Commended. Tel: 0631 72 371 Fax: 0631 72 531

5

Billesley Manor

COUNTRY HOUSE WEEKENDS

16th C Manor with log fires, oak-panelling and an Award-winning Restaurant. Delightful large indoor Pool, Tennis and Mini-Golf

Phone Billesley Manor Stratford-upon-Avon (0789) 400888

6

NORTON PLACE HOTEL

Set within tranquil walled grounds on the southern edge of Birmingham, Norton Place Hotel offers just 10 exclusive bedrooms, exceptional service and the finest cuisine to make the perfect base for touring the heart of England or visiting on business. Special Weekend and Theatre Breaks available.

Call 021-433 5656 or Fax 021-433 3048 for reservation details

1990/91 AA Midlands Newcomer Of The Year.

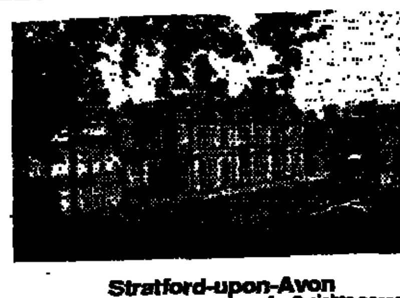
TAKE A LOOK INSIDE THE FINEST HOTELS IN THE WORLD

Relais & Chateaux offer you a choice of 377 independent, exclusive hotels and restaurants, in 37 countries around the world.

The 1991 Relais & Chateaux full colour Guide provides 300 pages, featuring 19 establishments in Britain — essential information for the discerning traveller.

For your copy please send £2 for postage and packing to: Hambleton Hall, Hambleton, Oakham, Rutland LE15 8TH. 7

8 **WELCOMBE HOTEL & GOLF COURSE**



Stratford-upon-Avon

Weekend breaks from £150.00 per person, for 2 nights accommodation with full breakfast and dinner, plus free golf on our private 18 hole, par 70 golf course.

0789 295252

9

Talland Bay Hotel

NR LOOE CORNWALL

TEL: POLPERRO (0503) 72667

Cornish country house known for good food deliciously cooked, comfort, caring service in beautiful setting overlooking the sea. Sauna, solarium, pool. Personal recommendations bring vast majority of our guests.

AA*** EGON RONAY RAC***

10

SCOTLAND'S

1991 1991

COMMENDED COUNTRY HOTELS AND INNS

66 PRIVATELY OWNED HOTELS THROUGHOUT SCOTLAND, OFFERING SCENIC SPLENDOUR, COMFORT AND EXCELLENT FOOD, AND WHERE YOU WILL BE MADE TO FEEL ESPECIALLY WELCOME. ALL WITHIN A A VALUE FOR MONEY FRAMEWORK.

Brochure from: SCOTLAND'S COMMENDED COUNTRY HOTELS AND INNS, HiLine House, Station Road, Dingwall, Ross-shire, Scotland.

11

THE RISBORO Hotel

Leisure Orientated Family Hotel with full Entertainment Programme

Friday Dinner until Sunday Luncheon £80.00

Also Conferences, Golf/Shooting Packges available

0492 876343

Llandudno, Gwynedd LL30 2ED

12

CALCOT MANOR

Tetbury, Gloucestshire

If in the course of your everyday life you long for the peace of Cotswold hills, fields of flower filled hedgerows, aperitifs by the pool before delicious meals and comforts to console the most jaded spirits then call (0666) 890391 for CALCOT MANOR'S brochure.

13

Mariners Hotel

AA ★★★ RAC

20th Anniversary

17th Century Coaching Hotel retaining period charm & atmosphere. Spectacular views. Luxury en-suite rooms & honeymoon suite.

* SPECIAL OFFER *

2 Day Bargin Breaks £77 pp

3 Day Bargin £113 pp

to include: Room Breakfast and a 4 course Dinner by our Award Winning Chef and Service.

For further details Tel: Lyme Regis, Dorset 028744 2753

OPERA LOVERS CHOCOLATE MURDER HEALTH & HEALING IN THE NEW AGE

14 **THEME WEEKENDS**

Entertainment, Education, or Mystery.

Whatever your taste enjoy a super value weekend with us.

Opera lovers - July, Collectors - Aug, Chocolate - Sept, Health & Healing in the new Age - Oct, Murder - Nov.

Call or write for details:

Bramhall Moat House, Bramhall Lane South, Bramhall, Cheshire SK7 2EB.

Tel: 061 439 8116

15 **THE BELL INN**

Aston Clinton, Buckinghamshire

RELAIS ET CHATEAUX

Roses cling against mellow brick walls and a flower filled courtyard houses the individually decorated bedrooms. Innovative and classical cooking prevails whether dining in the Restaurant or in any of the Private Dining rooms.

0296 630252 - for your brochure

16

DRUIDSMERE ESTATE

BLAIRGOWRIE, PERTHSHIRE

Situated opposite Rosemount Golf Course and within easy reach of St. Andrew's and Gleneagles, Druidsmere Estate offers self-catering traditional stone cottages set in 40 acres of beautiful private grounds, teeming with wildlife, an exclusive fishing on a delightful 13-acre loch stocked with brown trout.

Guests in the Mansion House itself can enjoy traditional french cuisine, open fires and large en-suite bedrooms with all usual facilities. Spring/Summer breaks 1991: 3 days or more, Dinner, Bed & Breakfast: £65.00 per person per night.

Shooting, Clay shooting and deer stalking available on neighbouring estates.

Please telephone for details.

Details and reservations:

(0250) 3165. Fax: (0250) 3042

ALL MAJOR CREDIT CARDS ACCEPTED

25,000 ACRES OF UNSPOILT COUNTRYSIDE IS ONLY PART OF THE BAIT.

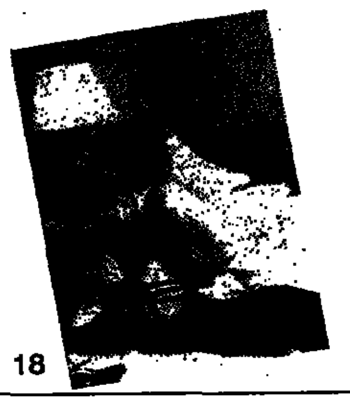
A 25,000 acre lakeside estate in beautiful mid-Wales, unobtrusive old-fashioned service, award-winning cuisine and sole rights to 1,100 acres of lake teeming with trout all conspire to lure fly fishers to Lake Vyrnwy Hotel.

Non-residents also welcome for fishing. Ring (069 173) 692 for free brochure.

17

LAKE VYRNWY HOTEL

Llanwddyn, Montgomeryshire, Mid Wales SY10 0LY



Heart of the City Weekends

at 30 exciting destinations throughout Europe.

Luxury from only £54 per couple, per night.

INTER•CONTINENTAL HOTELS

Tel: 0345 581444

18

AN INEXPENSIVE HOTEL IN LONDON SW1

ELIZABETH HOTEL

19

37 ECCLESTON SQUARE, VICTORIA, LONDON SW1V 1PB.

Tel: 071-828 6812

Intimate, friendly, private hotel in ideal, central, quiet location overlooking attractive gardens of stately residential square, close to Belgravia.

Comfortable Singles from £31.00. Doubles/Twins from £47.00 and Family Rooms from £59.00 including good ENGLISH BREAKFAST + VAT.

COLOUR BROCHURE AVAILABLE

Egon Ronay/RAC Recommended

20

K I N N A I R D

PERTHSHIRE SCOTLAND

A privately owned hotel with an award winning restaurant stands amidst 9,000 acres of breathtaking scenery overlooking the River Tay, 22 miles North of Perth.

Special rates are available, and Musical Events through the summer. Telephone 079 682 440 for full details, or complete the coupon.

21

Meudon a master peace

Surrounded by 200 National Trust acres and situated in subtropical gardens adjoining the sea. Cornwall's highest rated country house hotel. Choice cuisine, peaceful lounges, excellent bedrooms and bathrooms. In fact the perfect antidote to the hustle, bustle and pressures of everyday life. Golf is FREE.

New brochure NOW from: MEUDON HOTEL, Near Falmouth, Cornwall

Tel: 0326 250541 Fax: 250543

AA FOR BUSINESS OR PLEASURE

Whether you're eating out or staying away, the AA's 1991 Hotels & Restaurants in Britain is the guide to keep ready to hand in the office, the home, or the car. 22

The 1991 edition includes:

- Over 4000 entries, annually updated
- A 10 percent discount off the room rate at over 1000 hotels
- Quality rating for all hotels as well as star classification

£13.49 (inc. p&p)

Orders to: AADS, DUNHAMS LANE, LETCHWORTH HERTS SG6 1LF Tel: 0462 686241 (Cash Sales Dept.)

YOUR EDWARDIAN COUNTRY HOME BY THE SEA

☆ Gourmet and Brasserie Restaurants
☆ Leisure Dome
☆ Town Centre Location– near shops and gardens

THE NORFOLK ROYALE HOTEL

RICHMOND HILL, BOURNEMOUTH BH2 6EN

23 Call 0202 551521 for Weekend and Holiday Brochure.

AA RAC ★★★★

24

AA Best Newcomer in Great Britain

Egon Ronay Highest Rated Hotel/Restaurant in Wales

TRE-YSGAWEN HALL

Escape to the countryside and be pampered in a Deluxe Country House. Our own Clay shooting. Many recreational activities nearby, Anglesey, North Wales.

Tel: 0248-750750

'TAKE A BREAK'

WHL HOTELS

Hotels located in the most scenic areas of Scotland, Northumbria & Lake District. 2 nts DB&B from £60pp. 1991 brochure

Phone 0592-641919 or after office hours 0800-833910 25

26

THE WITNEY LODGE HOTEL

The Four Pillars Group of new luxury hotels in Oxford/Cotswolds

Witney Lodge* Dinner-dance week-ends. £79 2 nts D.B&B. 0993 779777

Abingdon Lodge Garden-breaks £78 2 nts D.B&B. (or 6+1 free). 0235 553456

Buckingham Lodge* Family-breaks £78 2 nts D.B&B (children share free). 0280 822622

* Full leisure available.

Phone Hotel direct for full information.

The Four Pillars Group

Relax in the Upstairs Downstairs portrayal of service, comfort and fine food to delight the most discerning guest. Thoughtfully designed bedrooms, a renowned restaurant - and butler service. Boardroom meetings, seminars, every facility for a successful business gathering.

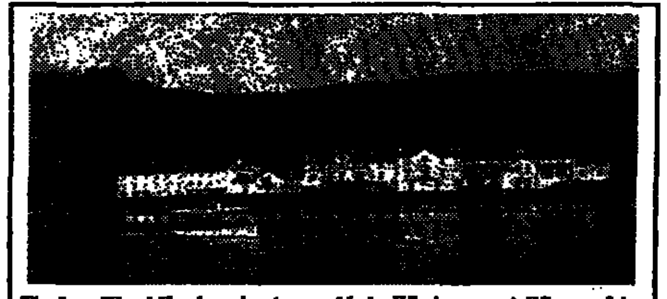
Bilbrough Manor

27

Exclusive Country House Hotel and Restaurant

AA Three Red Stars, Bilbrough, YORK, YO2 3PH.

Tel: (0937) 834002 Fax: (0937) 834724



The Low Wood Hotel on the shores of Lake Windermere. A Winner of the 1990 "England for Excellence" Award. Enjoy the recently opened £1.5M Leisure Club, the Hotel's own steamboat and the magic of the Lakes' scenery.

Telephone Nathalie on 05394 33338 or use the Reader Reply Service. 28

29

Recommended Hotels of Devon

A Superior Selection of Individual Privately Owned Manor Houses and Country Houses in glorious Devon. For full colour brochure of recommended Hotels of Devon Telephone: 0271 870333 Fax: 0271 870890

Right on its own sandy beach...

"Top of Britain's Best Beaches" – Me Magazine. 4 miles Newquay. Carefree family hotel. Nightly dancing/entertainment for all ages. Sports hall, badminton, skittles, squash, tennis, two heated pools, snooker, surfing, golf nearby. Superbreaks in spring & autumn. Good value – inclusive terms, no extras, free child offer, baby listening. All rooms/family suites with bath, TV. Also self-catering villas. Brochure from Mrs F.T. Ashworth Telephone (0637) 860543.

30

THE SPECTACULAR WATERGATE BAY HOTEL

NR NEWQUAY, CORNWALL

Springfield Country Hotel

AA*** E.T.B. ***RAC

A family Countryside hotel in 6 acres of gardens. All rooms en suite bathroom, 16" colour TV, radio, D/D telephone, tea and coffee facilities. Large heated S/Pool (May-Oct). H/Tennis Court, Solarium - Lit - Games Room - 2 full size snooker tables - 2 Table Tennis - Pool Table - Bar Billiards

31 Cottages also available in the grounds.

Phone 0929 552177 or Fax 0929 551862

COLOUR BROCHURE AND TARIFF: BARGIN BREAKS AVAILABLE

Grange Rd, Storborough, Wareham, Dorset

Gogarth Abbey Hotel

"Try a Weekend Break at the original home of Alice in Wonderland"

£80.00 inclusive

Includes Dinner, Bed and Breakfast with Sunday Luncheon. Set in 2½ acres with Leisure Facilities.

West Shore, Llandudno, Gwynedd LL30 2QY

32 Tel: 0492 876211

33

Kildwick Hall

...nestling amid secluded woodlands with 17 luxury bedrooms, gloriously eccentric, Kildwick Hall is the embodiment of the country house hotel....Gourmet Restaurant.... irresistable weekend breaks...

Kildwick near Skipton

Reservations 0535 632244

SIMPLY THE BEST

Elegant hotel built in the days of gracious living, situated in 6 acres of grounds leading down to Woolacombe's 3 miles of golden sands. Perfect for the quiet break or action packed holiday. Luxurious bedrooms all with bath, shower and toilet, hairdryer, central heating, TV, satellite and in-house video, tea making facilities, telephone and radio.

Sumptuous 7 course dinners and full English Breakfast.

FREE UNLIMITED use of all sporting facilities including squash, tennis, sauna, solarium, spa bath, pitch & putt, croquet, short mat bowling, snooker, indoor & outdoor pool (with flume side), fitness room, children's organiser and full entertainment programme.

Week-end breaks from £94 (inc VAT) DB & B

Super luxury self-catering apartments also available. Colour brochure from F.T. Frost.

34 **WOOLACOMBE BAY HOTEL**

Woolacombe, Devon Tel: (0271) 870388

AA ★★★ RAC

35

Dunain Park Hotel

AWARD WINNING RESTAURANT RECOMMENDED BY EGON RONAY & OTHER LEADING INDEPENDENT HOTEL & FOOD GUIDES

1 Mile from Inverness

Set in 6 Acres of Garden and Woodland

Indoor Heated Swimming Pool and Sauna

Phone (0463) 230512

Fax (0463) 224532

AA ★★★ **WATERLOO HOTEL & MOTEL** RAC ★★★

36

BETWS Y COED - SNOWDONIA

Leading Hotel/Motel in Snowdonia, ideal for touring mountains & coastline. All rooms en suite, Col TV, Telephone, Tea/Coffee tray, Hairdryer. Superb leisure complex, Pool, Jacuzzi, Sauna, Steam, Gymnasium.

* 4 newly built self catering cottages : Mr. D. F. NESBITT : Tel: 0690 710 411

* Full Brochure & Tariff: Fax: 0690 710 666

THURLESTONE HOTEL - DEVON

37

The luxury Thurlestone Hotel is located in a picturesque Devon village overlooking a magnificent coastline. This privately owned hotel offers its guests total comfort, memorable food and use of their swimming pools, tennis and squash courts and golf course.

For brochure and further details please telephone 0548 560 382.

SWANAGE THE *Grand* HOTEL

BEAUTIFUL DORSET HERITAGE COAST

Step from the lawn to the safe sandy beach and enjoy a luxurious seaside holiday overlooking the clean waters of the bay.

Outstanding cuisine, comfort and entertainment. Indoor plunge pool. 38

Colour brochure: 0929 423353

GRAND HOTEL, SWANAGE DORSET BH19 1LU

AA ★★★ RAC

A Best Western Hotel

EAST CLIFF COURT HOTEL

RAC ★★★ (HC AWARD) AA ★★★

ETB

SPRING BREAKS-GENEROUS OFFER IN OUR PRESTIGIOUS HOTEL

39

APRIL 15-MAY 30 3 NIGHTS FOR PRICE OF TWO-ONLY £90 Inc. DB&B

Superb cliff-top position, long renowned elegance & comfort with 1st class facilities/personal service. Extensively refurbished. Superior cuisine (Egon Ronay rec.). 70 En suite Bedrooms (50% sea views), every facility. O/door pool, sauna, solarium, games room. 2 Car parks. D/dances Saturdays. Phone/write: Col. Brochure & Romantic W/end Brochure.

EAST OVERCLIFF DRIVE • BOURNEMOUTH TEL: 0202-554545

40

South Lodge

Unwind at South Lodge Hotel.

4 Star luxury in traditional country house. 90 acres of beautiful Parkland. Delicious cuisine by top chef. Excellent location for visiting famous gardens and Sussex countryside.

Telephone: 0403 891711

HOTEL BROCHURE GUIDE ORDER FORM

Please tick the appropriate boxes for the brochures you would like to receive, enter your own name and address and then send or fax this coupon to the address shown. Replies must be received no later than 2nd May 1991.

1. Pride of Britain
2. Esseborne Manor
3. The Wynnstay Hotel
4. Isle of Eriska
5. Billesley Manor
6. Norton Place Hotel
7. Relais et Chateaux - enclose £2.00 p.p.
8. Welcombe Hotel & Golf Course
9. Talland Bay Hotel
10. Scotlands commended country Hotels & Inns
11. The Risboro Hotel
12. Calcot Manor
13. Mariners Hotel
14. Bramhall Moat House
15. The Bell Inn
16. Druidsmere Estate
17. Lake Vyrnwy Hotel
18. Inter - Continental Hotels
19. Elizabeth Hotel
20. Kinnaird Hotel
21. Meudon Hotel - Call Hotel direct for brochure
22. A.A. Publishing (Hotel Guide)
23. The Norfolk Royale Hotel
24. Tre-ysgawen Hall
25. W.H.L. Hotels
26. The Four Pillars Group
27. Bilbrough Manor
28. The Low Wood Hotel
29. Recommended Hotels of Devon
30. Watergate Bay Hotel
31. Springfield Country Hotel
32. Gogarth Abbey Hotel
33. Kildwick Hall
34. Woolacombe Bay Hotel
35. Dunain Park Hotel
36. Waterloo Hotel & Motel
37. Thurlestone Hotel
38. The Grand Hotel
39. East Cliff Court Hotel
40. South Lodge Hotel

NAME

ADDRESS

WEEKEND FT HOTEL BROCHURE GUIDE (Ref 5/91), Capacity House, 2-6 Rothsay Street, London SE1 4UD. Fax No. 071-357 6065

Law, order and Needle Park

***Tim Burt** thinks Zurich's visitors may be in for shock if they stray from tourist routes*

SOMETHING crunched beneath my boot as I walked through the park. Looking down, there was a shattered syringe in my footprint and somebody's blood was leaking on to the grass. A few yards away a youth squatted on the ground, strapped a tourniquet to his arm and calmly emptied a capsule of heroin into his veins. The jab of the needle sent blood trickling down his wrist.

The youth is probably a regular in Platzspitz, the picturesque park in the centre of Zurich which has become an outdoor supermarket for the world's deadliest drugs and their victims. The park's bandstand, once used to entertain crowds visiting the adjacent national museum, is now home to stallholders selling crack, hashish, cocaine and all manner of hallucinogenics.

Their customers take trips to every place. Some have a faraway gaze, others look wild. Few take much notice of those who keel over. The overdosers are left where they fall until a paramedic arrives from the on-site medical centre.

Platzspitz, sited on a peninsula between the Limmat and Sihl rivers and a short walk from the central railway station, has been busy since the city fathers authorised an "experiment in tolerance." The project, involving the distribution of free needles, is aimed at curbing the spread of AIDS, the disease which has infected more people per capita in Switzerland than any other country in western Europe.

Project workers distribute an estimated 1.4m syringes and 500,000 needles each year and claim the experiment has been a success. But Needle Park, as it is nicknamed, has shocked the Swiss and many city residents are embarrassed by the image it conveys. Similarly, tourist officials promote Zurich's lakeside setting on one hand while smothering interest in its drug zone on the other.

Like it or not, the park is one of the most fascinating parts of the city. It offers a different insight into a society founded on law and order and clockwork efficiency. But tourists are discouraged from the area. It is not mentioned in most guidebooks or marked on maps. Posters at the station urge visitors to spend time in the museums and galleries instead. Platzspitz, unlike the galleries, is not a place to stand and gawp. You must keep walking unless you want to buy, sell or inhale.

The maps also fail to indicate the other sites which reveal something of the local psyche: the nuclear shelters. Every apartment block has its own bunker and each tenant has an allocated space in the event of Armageddon.

The basement at 7 Laurenzgasse is fairly typical. The bunker, 30ft below street level, is sealed from the outside world by a concrete door edged with steel. It leads to an ante-chamber where decontamination showers have been installed so you can wash away the effects of radiation. A second heavy door, which creaks ominously with a hefty push, leads to the living quarters.

There are boxes of equipment packed in readiness for an attack. Bags for human waste sit next to crates full of blankets. This is no first-class lounge. The accommodation for each apartment consists of a 14ft by 6ft wooden cage from where you can happily observe your neighbours in their cage.

On the surface, meanwhile, the blue-and-white trams clank by and the Swiss go about their business knowing that if the four-minute warning comes, they will be safe. Zurich does not, however, rank among the world's likely targets for nuclear attack. Its workers are more concerned with financial takeovers than military ones.

The city does not flaunt its wealth but its identity is inextricably linked, albeit discreetly, with Mammon and the creation of wealth. The routine of the city centre around Parade-Platz seems to be dictated by banking hours: it does not wake up before 9am and goes to sleep soon after 5.30pm.

The banks, where you may buy bullion over the counter if that is your fancy, are some of the only institutions able to afford property. The Union Bank of Switzerland, for example, is even thought to have purchased an Irish pub near its headquarters.

The pub, a favourite with busy executives, once boasted the author James Joyce among its regulars. But that was in Dublin – before it was removed brick by brick and rebuilt in Switzerland.

Joyce, who wrote part of *Ulysses* in Zurich and is buried in one of its graveyards, has his name embroidered on the beer towels as a memorial. Guinness is also available on tap but it does not have a great following. The Swiss prefer to swig their own light beers in traditional bars such as the Zeughauskeller, the former city arsenal, behind Parade-Platz.

The walls of the *keller* are lined with old weapons. Pride of place belongs to a rather decrepit crossbow once owned, according to the barstaff, by Mr Wilhelm Tell.

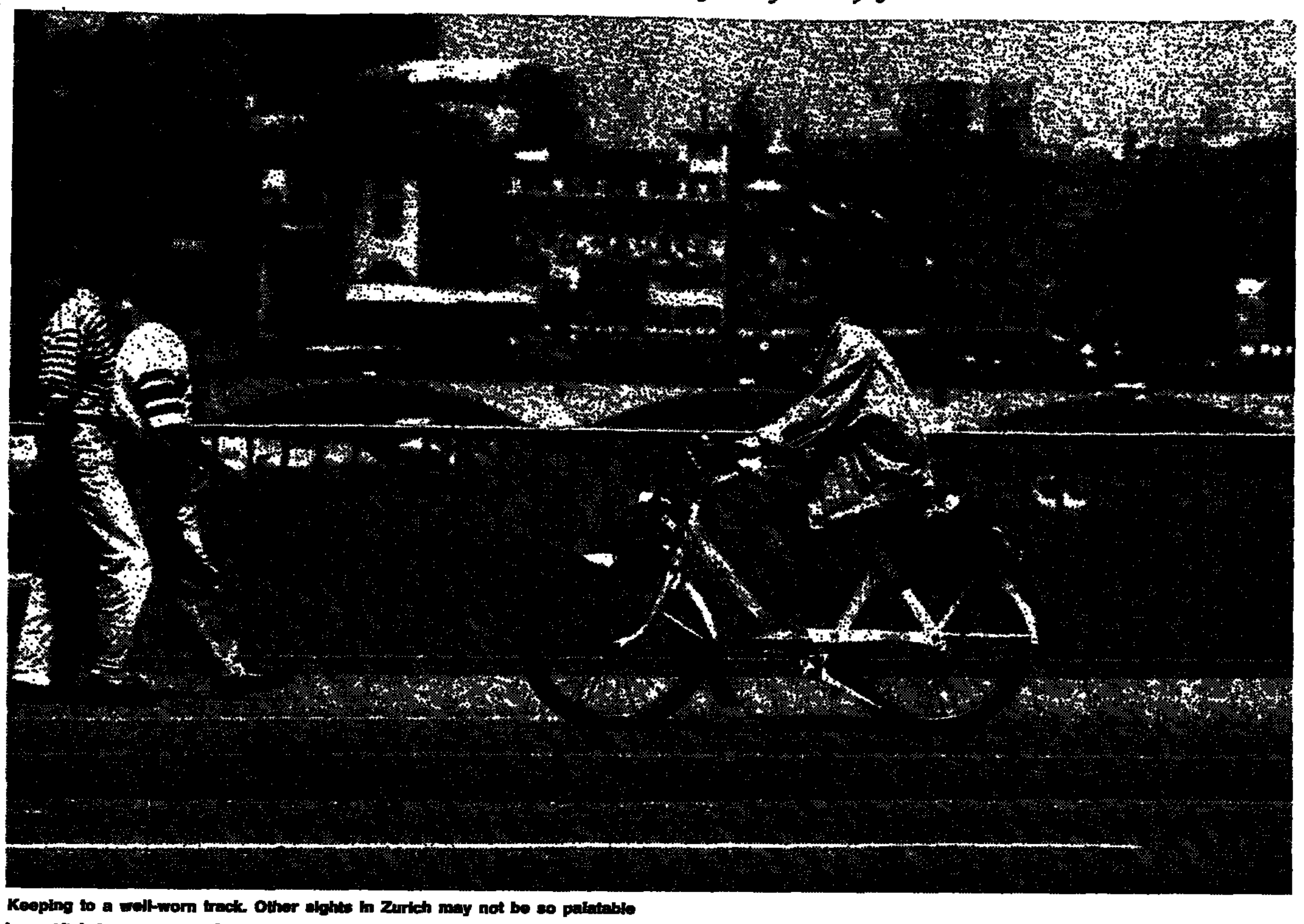
The cobbled streets of the medieval quarter have not changed much since the alleged incident in Altdorf, the town to the south of Zurich where Tell shot an apple off his son's head. Strict planning laws have preserved the timber-framed houses on the banks of the Limmat and around the Grossmünster cathedral, and it is easy to imagine Zurich as it was centuries ago when trade centred around the old guildhalls.

This is the city acclaimed in the tour brochures: the winding lanes and open-air craft markets; the lakeside lawns with views of the alps; the opera house, concert halls and museums. This area is also home to the top hotels, such as the Baur au Lac standing in its own park by the lake.

Tourists who restrict themselves to sites like the Zeughauskeller or the James Joyce pub will leave Zurich with a lighter wallet and a rose-tinted view of an affluent and self-contented town.

The reality is not so rosy. Switzerland's biggest city is suffering the initial pangs of urban blight. Visitors who leave the well-worn tourist routes may be surprised by what they find: people sleeping rough in the tram shelters, graffiti on the walls of the national museum and a pretty park full of drug addicts.

■ *Dan-Air (0345-100200) flies daily to Zurich from Gatwick. British Airways (081-897-4000) and Swissair (071-439-4144) fly from Heathrow. Tour information is available from the Swiss Tourist Board (071-734-1921).*



Keeping to a well-worn track. Other sights in Zurich may not be so palatable

Travel Books

TRAVEL writing can address itself to anything though it helps if it coveys a sense of place and movement. In his introduction to The Saddest Pleasure, Moritz Thomsen's memorable tale of journeying through Brazil and along the Amazon (Sumach Press, £12.99), Paul Theroux says that a travel book may be many things: not just a report *of* a journey but a memoir, an autobiography, a confession, a foray into topography and history with things to say about books, music, life in general – in short, a summing-up.

One of the keys to the quality of Thomsen's writing is his readiness to lay bare both body and soul. He mocks his own feebleness, age and sense of failure. As Theroux says: "He is the least mannered of writers . . . he would rather say something truthful in a clumsy way than lie elegantly."

By turn, Thomsen can be humorous, sad, knowing, frightening, coarse, angry. You will not get your hands on a finer travel book this year. Admire, for example, the honesty and force of his declaration that one of the signs of his cowardice in South America has always been a shuddering reluctance to put into his mouth much of the food that has been offered to him in the houses of very poor people:

"I have gone miles out of my way to avoid these confrontations, and when caught have invented horrible sicknesses like cancer of the liver to explain why, lamentably, my doctor has forbidden me to eat iguana, sloth, armadillo, the little ratlike jungle *juanta*, the tiny nocturnal possums with their enormous wondering eyes, or the cunning, masturbating *cuzumbis*, those awful things cooked in their own black juices and centred on the best plate above a little pile of rice . . .

"Those goddam anthropologists. How I envy and hate them when they come back from the villages along the Napo or the Marañón, pink-cheeked and bouncing. They have feasted on the fermented juices of masticated yucca, roast howler monkey, *jualpa* lava, guinea pigs, and alligators. How they underline my timid cowardice."

This is one of those books that you have to put down after a page or two, and then take up again: not because the smallness of the print – why are publishers so stingy? – makes you red and cross but because Thomsen's writing is so intoxicating, his wisdom so great and the sadness of his travellings so profoundly moving that you will need to pause for oxygen.

□ □ □

Michael Wigan, a regular *Weekend FT* contributor, is a perceptive and lyrical writer about the great outdoors, qualities much to the fore in The Scottish Highland Estate (Swan Hill Press, £18.95), in which he justifies the sporting estate – grouse, deer, fish, forestry – as the best vehicle for careful preservation of the Scottish highlands. As Wigan says, many parts of the world possess physical beauty, shapely hills and blue water. But few are charged with the atmosphere peculiar to the Scottish highlands: a landscape chastened by *geological* time and by fierce human history.

According to his publishers, Stanley Stewart has been a farmer in Tuscany, a fisherman off the Irish coast, a Toronto cab driver, a film cameraman in Turkey and Iran, an erector of circus tents and an advertising copywriter. He is also a fellow of the Royal Geographical Society. Old Serpent Nile: A Journey to the Source (John Murray, £16.95) is his first book: neatly written, droll, sometimes moving – a thoroughly good read, whether for the stay-at-home traveller or for anyone taking a Nile cruise or pottering around Egypt.

□ □ □

Grafton Books is in the process of introducing a "Destination" series – not travel books in the common sense, says Jan Morris, the series' editor, but ones that record the effects upon particular sensibilities of the experiences of travel, as another series might record the effects of love, art or war. "All its destinations are really destinations of the mind," says Morris – which is fairly helpful, I suppose.

The first three to appear look promising: Long Ago In France: The Years in Dijon, by M F K Fisher; Cathay: A Journey in Search of Old China, by Fergus M Bordewich, and Best Nightmare on Earth: A Life In Haiti, by Herbert Gold, all £14.99.

Michael Thompson-Noel

The Beltie, a wonderful beastie

***Michael Wigan** in the unaltering landscape of south west Scotland*

THE TIDE rips across the flats of the estuaries two-and-a-half times as fast as it recedes. These estuaries are long and muddy, rock-fringed, separated by green promontories. The castle ruins are on knolls at the rivermouths, tucked in under the foothills.

The hills rise sharply to rounded shoulders sporting August purple in places man has been able to farm: irregularly-shaped fields marked by hedges and dykes. The dykes are built halfway up with the usual close-fitting stone assembly, but the top is a ragged frieze of large slender stones in racks.

Where is this?

Add to the portrait the fact that the landscape looks unaltered over years, and the white or stone houses riding the curls of the hills or nestled into woody thickets.

The big houses give away the decade, fronted with caravan parks, flying the flags which speak of public use, or with signboards at the gate. It is south west Scotland, the Kirkcudbright and Wigtown coast.

No-one comes here. Not, at any rate, in high summer. A few cars with families aboard and roofracks bristling count, in these days, as no-one. It is remarkably uncrowded. The nearest holiday camp is a long way *off* in Ayrshire. Theme-parks and fun-pubs are noticeably absent, teashops more the order of the day.

Looking around for an outing, we found a shed containing an aquarium, everything presented in an attractively simple and unfussy way with seawater streaming through polystyrene tanks and back into the estuary outside.

Old classroom photographs described the fish from the locality: conger eels, cod and rays were all correct and present and then we saw a new face, that of an angler-fish. Almost invisible against the pebbly background, he formed a knobbly hump on the bottom, two wavy antennae for reconnaissance and a wide mouth opening and closing in dreamy anticipation. I enlarged my wife's jewellery collection with a necklace of pink clam chips, price £1.95.

"WE MUST BE THE FIRST PEOPLE LOOKING FOR A FUN PUB THOSE COWS HAVE EVER SEEN."

The sea is always on view in this part of Galloway. Roads have to skirt the big estuarial flats. These flats support a tremendous variety of wildlife, birds and fish in turn hunting the rich silty expanses for salty titbits.

The area contains several small salmon rivers – Bladnoch, Cree, Fleet, Dee – which is strikingly clear from the numerous stake nets stretching their maze of webs far into the estuaries, sometimes seeming to close off homing routes for the migratory fish altogether.

Along the coast, smokeries and other outlets for the silver harvest are the only shops. These small rivers have always borne the netting harvest. The discomfort of the angler spying far off on the point the netsmen hauling in squirming boxfuls of the quarry – one of which, on the end of a fishing line, would have made him happy – is an old rankle.

What is new is the threat posed to salmon populations far up-river near the headwaters. Scientific work undertaken by the West Galloway Fisheries Trust proves that the upper catchments, surrounded by acid-leaching conifer forestry, are no longer able to support the young fish on which salmon stocks depend.

The productive stretches of the river have shrunk, and most spawning is now in the lower reaches by the arable land.

Stocks were also the problem for the idle shell-fisherman to whom I gave a lift from the Kirkcudbright gala. He was previously part of the Kirkcudbright-based fleet of boats which plies the Irish sea for small scallops or "queenies," but had been laid off.

The fishermen, he told me, made between £250 and £500, depending on catches, in a four-day week. But work was constant, only four hours in every 24 for shut-eye. Like virtually every commercial north hemisphere marine resource, this one is also under great pressure. The bottoms of the channels are scraped and scraped until they yield nothing.

Conserving south west Galloway's youthful population *in situ* has been a problem for a long time. Part of the charm of the easy-going lifestyle is that no substantial industries are located here. The timetable for rural workers is nature's.

Farming has always been and remains the staple industry. Parts of Wigtownshire are as rich as any grazing land in Britain. Beef cattle throng the haphazard fields in prodigious numbers, huffing and puffing their way through the luxuriance of west coast verdure. This is country for cattle-raising the natural way, grass tickling the hocks in spring and fresh silage mowed from the summer parks.

Here and there the scene is glorified by west Galloway's traditional cattle-type, the Beltie. The belted Galloway is a magnificent old-style four-square beast, one of the few truly undiluted cattle types left in Britain. Its glossy black body is bisected neatly by a wide creamy band, hence the belt. The slow-growing beef is reputedly superb.

On a farm on the slopes of the hilly headland, cattle and sheep are reared, corn is grown, small woodlands in good trim cap the hills and keep the fireplace lively, little ponds in the hollows contain duck (which also avail themselves of the corn), and to round off his operation the farmer runs a line of pedigree Clydesdales. These massive and steady animals dot the landscape in a way made almost surreal by its rarity.

In my perambulations across this attractive area, bounded on one side by a sleepy military range and on the other by the mussel-encrusted coast, I have seen roe deer in the uncultivated hollows; *loping* brown hares; a tawny owl fledgling gazing at me pop-eyed from a branch at my shoulder; sparrowhawks jinking through the trees and a large weasel scurrying through a fence. Rock pigeons explode from the cliff, and seabirds sail above the shore anglers who dot the rocks on the point at high tide. It is a bonny scene.

South west Galloway is a hidden byway. Apart from the A75 to Stranraer, towards which the Irish lorry drivers, already sniffing the Guinness, hammer at horrifying speed, no heavy traffic routes exist. The joy of a succession of peninsulas is that they lead nowhere. They are nobody's doorstep or diving-board.

Rabbie Burns still lights up the name of Dumfries further east. And Gavin Maxwell came from the *big hoos'* of Monreith, in Wigtownshire. But Maxwell emigrated to the Highlands, and his memorial bronze otter at Monreith is not sought out. Indeed, local tourist officials claim Burns' birthplace is not sufficiently sought, either. Until a motorway slices through the area, that will presumably remain the case. In the meantime, the Belties do not mind a bit.

An extraordinary innings

***Anthony Curtis** enjoys a novel based on one of history's greatest cricketers, Ranji*

WHEN I was in India two years ago I went on a sortie by motor-launch through the maze of inland waterways behind Cochin. My wife and I sat on roof of the cabin as the boat threaded its way through lush tropical jungle. After a while we came to a clearing where a group of boys were playing cricket. As our boat approached, a ball was bowled that hit the batsman on the pad. Umpire-like, I gravely raised a finger to indicate that he was out. The effect was electric. My joke-gesture was greeted with a warm, wild, crazy response involving signals back, for byes, leg-byes, wides, no-balls. We were were too far away for any shouting contact, but I had spoken in the one language common to all the inhabitants of the vast sub-continent.

An Indian prince who got his Blue in 1893 proved to be among the greatest players in the history of cricket. When he played in Cambridge he was known as Smith. When he played for Sussex and England a few years later, in what was still the era of W.G. Grace, he appeared on the scorecard as K.S. Ranjitsinhji. He ended his life in 1933 as Colonel His Highness, Shri Sir Ranjitsinhji Vibhaji, Maharaj Jam Saheb of Nawangar, GBE, KCSI. To his vast public of cricket fans throughout the world he was always known as Ranji.

Ranji excelled as a batsman. Legend has it that he once scored three separate centuries in an afternoon at Cambridge. His particular speciality was the leg-glance. Some cricket historians claim it was a shot he invented. Expert opinion differs on this point. "It is difficult to believe", writes Alan Ross in his biography *Ranji*

PLAYING THE GAME
by Ian Buruma
Jonathan Cape £13.99, 234 pages

(The Pavilion Library, £7.99), "that no-one ever glanced a ball before Ranjitsinhji. What seems certain, though, is that the suppleness of his wrists and his speed of eye allowed him to exploit the stroke to an unique degree".

Ranji never played cricket for India; nor did his nephew Duleep, another fine exponent of the sport. Anthony de Mello, a leading figure in Indian cricket administration, wrote that, "Ranji did absolutely nothing for Indian sport and sportsmen. To all our requests for aid, encouragement and advice Ranji gave but one answer: 'Duleep and I are English cricketers.' He could not have been more blunt. In short, Ranji was a different man in England and India."

Such a clash of identities and racial loyalties offers rich pickings to a novelist. Ian Buruma, known hitherto as a writer on Japanese culture and a traveller in Asia, has seized them gratefully in *Playing the Game*, his first novel. This is a novel with a difference, much more of an essay in defining social attitudes than a straight-forward narrative. Buruma lets himself loose not only on Ranji's public career as a cricketer extraordinary and as a princely administrator in Kathiawar, but also on many of the great and the good in England and India who surrounded him. We observe some of them participating in a weird Edwardian cricket match wearing drag and, later, we see the godlike figure of C.B. Fry visiting Nazi Germany and coming home brimming with admiration for the Hitler Youth.

If you liked Ishiguro's *The Remains of the Day* then you should like this book too. I would not wish to over-do the comparison, but there is the same sustained irony, the same sense of an outsider observing the insiders who seem quite unaware that the cossetted, opulent, disciplined, hierarchical power-base they inhabit is flawed and doomed.

Ranji was educated with his Indian peers in the English public-school mould and then cheated out of his inheritance through a backstairs intrigue by his father's mistress. Later, like a hero out of the *Mahabharata*, he recovered it. Buruma re-lives Ranji's life in what purport to be Ranji's own words. The quest begins in England in boyhood when he reads about Ranji's triumphs on the crease at Lords, his flapping white silk shirt always kept buttoned at the wrists.

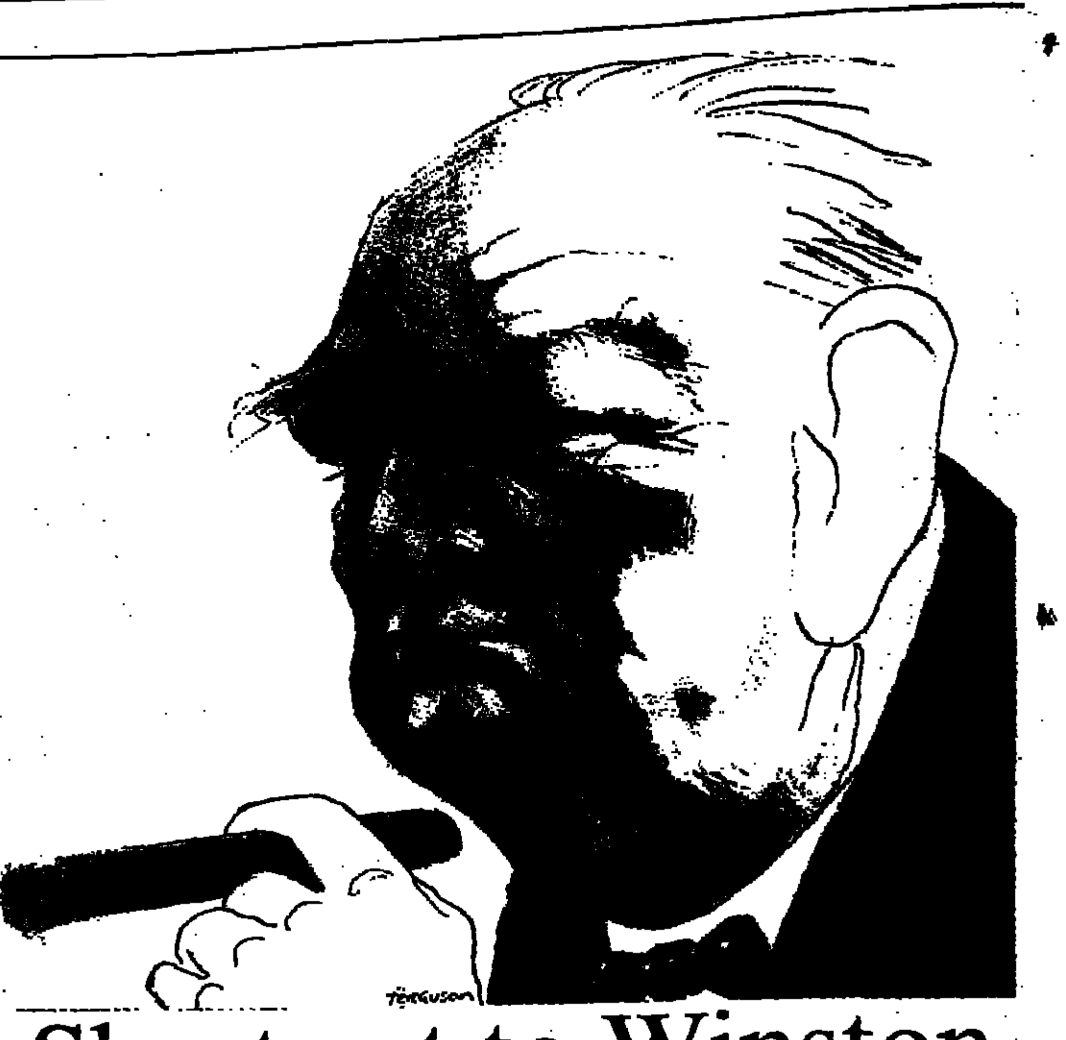
The novelist-narrator has an Indian friend whose contemporary cynicism contrasts with Ranji's magnanimous naivety. Through him the novelist makes contacts enabling him to penetrate Ranji's palace in Jamnagar and to see the memorials to him on display

there – Ranji's cricket-bats, his glass-eyes, his copy of Hornung's *Raffles*, the cage of his pet parrot.

Among these sacred relics is a long letter – this document is Buruma's invention – written but never sent by Ranji to his great English friend and cricketing partner, Fry. He is supposed to have written it to overcome his pique at the rescheduling of the Indian itinerary of the Prince of Wales (later Edward VIII). That slight was real enough: Ranji had prepared for the royal visit by building a palace specially for the occasion, but in the event the Prince passed him woundingly by.

Buruma catches to perfection the precise tone of Ranji's impeccable English prose and, in the course of an outpouring not entirely without its *longueurs*, he peels off the many protective layers of Ranji's character in a way that is shocking, affecting and frequently uproariously funny. Ranji's restraint at praise or applause, in the best traditions of his English-style up-bringing, is matched by his reckless extravagance. While heavily in debt, he showers rubies from Cartier's on his favoured guests.

Ranji went to the war in 1914 to serve as Sir John French's ADC. He lost an eye in 1915 – not on the battle-field, but back home during a shoot he had organised. (He continued to shoot away uncomplainingly after the accident, bagging 10 birds out of 12 shots, until such time as it was appropriate to seek assistance.) He was also a keen fisherman with a castle and a stretch of salmon-river in Connemara to which he repaired for solace at the end of his life, saddened by a brush with his friend Lord Willingdon, the Viceroy, at a meeting of princes and ruling chiefs. This is a formidably intelligent and enjoyable performance by Buruma.



Short cut to Winston

THE 8-VOLUME, 8-million word study of Churchill (with 13 source volumes) by his son Randolph (until 1914) and Martin Gilbert (from then on) may be the longest in the history of biography. Can Guinness please tell us? At fast speeds, a devotee needs to give three working weeks to the job. Few 20th century British historians can have done so; only addicts probably attempt it.

Those who have only sipped at the feast will react with relief to a shorter version. It is genuinely riveting. The 1920s, an era of political fluidity, are especially intriguing, when Churchill re-changed parties and was Chancellor for five years. The only parts that tempt one to skip are the later stages of the war, where talks with Stalin and debates over a Second Front absorb too much space, and Churchill's second spell at Number 10. His failing powers after 1951 make anticlimactic reading, the oratory is windy, and Gilbert's response is to reiterate the plaudits and the salutes.

In this new version, 1940 is covered in less depth than readers may expect. The claim, as in a recent book on Halifax, that he was ready to play for time and look at the idea of a negotiated peace is not raised. New pre-1914 material emerges. Churchill clearly wasn't a dunce at school: Randolph, his father, pushed him into the army stream at Harrow, not the academic one – that emerged in the son's first volume, but gets more emphasis here. He was farther to the Left as a Liberal minister before 1914 than the Tory Randolph's second volume makes out.

But it is riveting as history, not biography. All sorts of personal issues are left out, notably the semi-psychological. We get a full record of Churchill's actions, week by week, throughout his life, yet we often miss a sense of what it would have been *like* to be Churchill.

What were the roots of his phenomenal ambition as a young man? Was his memory of the failure of his father the

CHURCHILL: A LIFE
by Martin Gilbert
Heinemann £20, 959 pages

key factor? To what extent did he write books and journalism for money? How physically did he manage to combine such energy with so much drinking? Did he drink more or less when he had his "Black Dogs", his depressions (which are only mentioned in passing)? When did he lose his virginity? When, incidentally, did he take up smoking cigars? Was he an atheist, or perhaps a deist? What did he read? Was he aware of the intellectual trends of the era – say, Freud, Keynes, Virginia Woolf, Thomas Mann? Churchill was clearly superbly intelligent at intuitive, situational or verbal levels, but how bright was he at policy or personal issues that needed application to law, finance, economics or science, especially from 1929 onwards?

His relationships are another mystery. Gilbert never takes a step back from the story to look at the patterns of his friendships with, say, Bracken, Beaverbrook and Lloyd George. Churchill was very close to Lloyd George before 1914; he doesn't seem to have seen him much after 1922. Beaverbrook was a close confrere in the drama of 1940, one of the gangsters, who moved in as he became Prime Minister. But how close had they been when trade protection in the early 1930's and appeasement afterwards split them ideologically?

Potentially negative episodes are missing. The author declines the chance to deal with specific attacks of the last 25 years by writers such as David Irving. Gilbert, a Jew, stresses Churchill's Zionism and Jewish friendships, but he does not react to the argument that Churchill was to blame for the failure to bomb Auschwitz. The idea that he ordered the murder of General Sikorsky does not surface, even to be answered, nor the recent argument, true or false, that he let Coventry be bombed because to defend it with fighters would have been to give away the Enigma code-cracking secret.

Despite such queries, the eight volumes, the 13 volumes and now the shorter version are an extraordinary achievement. Gilbert has chosen a purely narrative form, edged with hagiography – and, in its way, it works. Genius, courage, generosity, humour and imagination shine through. The narrative is compulsively interesting; it was necessary to establish the detail on this scale. The next step is for specialists to run a set of popular, analytical essays on issues of personality and reputation.

Robert Silver

A Byzantine diary fit for Mum

***Justin Wintle** follows the life of a Bright Young Thing with a passion for travel*

PAUL FUSSELL was a little silly when he wrote that Robert Byron's *The Road to Oxiana* is "the *Ulysses* of travel writing", but in his book *Abroad*, he more or less caught the man – or at least his style: "[Byron] lived by means of frantic antipathies: to the tame, the tedious, the colourless – his forays into the Middle East were largely searches for 'coloured architecture' as a relief from the greyness obtaining in England."

The study of Byzantine and other eastern architectures, at a time when it was unfashionable to entertain more than a passing interest in such things, was Byron's passion.Born in 1905, he went to Eton, then Oxford, where he became an "aesthete". His friends included Brian Howard, Harold Acton, Henry Yorke (Henry Green), Bryan Guinness and Evelyn Waugh, his acquaintance virtually every poseur of the pre-war period. Among that crowd, however, he was seldom at ease. Beneath the facade was a cross-grained earnestness and ambition that made his death, on the eve of his 36th birthday in 1941, a great loss; his ship was torpedoed by the Germans.

Unlike too many of his contemporaries, Byron *had* to work for a a living. His output fell into three broad categories: journalism that paid the bills; travel books that secured his social reputation; and scholarly works – *The Byzantine Achievement* (1929), *The Appreciation of Architecture* (1932) – that advanced serious arguments about the fundamental indebtedness of western art to the near-Orient. For his time and background, he was unusually prolific: a lesser mortal would have been satisfied with the distinction Byron earned in any one of his chosen incarnations.

Yet, as these *Letters Home* show, he never quite sorted out priorities. All are written to his mother, spanning the whole of Byron's thinking and writing life from 1922 until a week before his death. The early letters display the sort of self-conscious precocity that was the *sine qua non* of being a Bright Young Thing. "From his first visit to Athens: "how prosaic skulls are"; the acquisition of a new automobile is an "event only comparable with a birth or a death"; Cosmo Gordon Lang, newly created Archbishop of Canterbury has "the skin of a newly weaned rat, the kind that the very good always do have."

The flippancy and the facetiousness increasingly

ROBERT BYRON: LETTERS HOME
edited by Lucy Butler
John Murray £19.95, 313 pages

make room for Byron's descriptive gift. In Calcutta, 1929, he attends a wedding where the women's clothing is "clotted with gold". In Rampur he observes a Rolls "draped in purple like a Second Empire bed." Sir Edwin Lutyens, whom Byron championed eloquently, "is so essentially aristocratic in outlook, and such a master of his material, he pours stone about". In Persia he discovers that opium tastes "like the jacket of baked potato." Russian landscape paintings "aren't really paintings at all, they are just a collection of associations to try and make one cry." Yet throughout Byron remains a post-Edwardian. The voice is consistently eggy. Nothing is "wonderful" but it is "too wonderful". The assurance and confidence seem never to be threatened. The only doubts he entertains concern whether he can attain his immediate goals.

But if the letters are all of a piece, then that must have much to do with their being addressed to the same person. Nearly every one begins with a deep breath, and rattles off in the manner of Pepys. Writing to *his mother* – "*Darling Mibble*" – Byron measures his progress while covertly seeking parental approval for most, if not all, his activities.

What we do not get, which would be too much to ask for in the circumstances, is a portrait of the man in all his moods.

Letters Home – edited by its author's long surviving younger sister Lucy, and of abiding interest to anyone interested either in Byron himself or in the mechanics of travel between the wars – therefore becomes a diary tailored for a particular audience. And therein lies the peculiarity of this correspondence. Whether *Byron is mucking about on* Mount Athos, or riding a yak in Tibet, his mother is never far from his thoughts. Any idea that travel is an escape from the womb is absent.

By the same token, however, an explanation is provided as to why, unlike other literary journey-makers of the period – Graham Greene, for example, or Peter Fleming – Byron never developed much by way of a political or social consciousness. "I know my point of view is fundamentally that of the artist rather than that of the district nurse," he writes from Delhi in 1929, "but it is my point of view that counts in the long run, whatever the temporary benefits of the other." Keeping so very regularly and diligently in touch with home helped Byron preserve his values from molestation.

Fiction

Disturbed by Dockland's glass towers

WHEN THE Prince of Wales famously asked whether the Canary Wharf tower *had* to be so tall, he was perhaps expressing more than architectural concern. The Docklands development alarms in part because it is a deep dream landscape: it comes from the same place as the topless towers of Ilium, Xanadu, Valhalla, and the mad intricacies of Piranesi. We have all been there, and we have all been disturbed.

Not surprising therefore that Docklands is releasing the imagination of some of our most interesting writers. I wrote recently of Ian Sinclair's extraordinary, chaotic *Downriver*; now Penelope Lively uses the building of a Docklands tower as the pivot for a novel which ambitiously uses London itself as a metaphor to release what is, in effect, an extended meditation on the nature of time and perception, love and loss.

Martin Halland is an architect whose marriage has failed, not through infidelity but through loss of feeling: "the worst loss of all". He is working on a contract to build 'Frobisher Tower' on the site from which Martin Frobisher set sail to find the north west passage.

Interwoven with the account of Halland's work, his dealings with an evil developer in Spitalfields, his outings with his beloved daughter Jane, the dawning of a new love for a chancely met girl, are glimpses of other narratives in which the images constantly allude to Halland's London: Frobisher's fantastic voyage, where the cliffs of ice reflect the modern cliffs of glass; an air raid warden (previous inhabitant of a terrace house which Halland is refurbishing) whose daughter is killed, realising the deepest universal fear glimpsed by Frobisher when Jane is nearly killed: "He

CITY OF THE MIND
by Penelope Lively
Andre Deutsch £12.99, 220 pages

stands, now, this moment – and sees another moment, another life, streaming away into infinity. He lives, in that flash, the whole of it – her broken body, the ambulance...tomorrow and tomorrow and tomorrow and the rest of life."

Penelope Lively's characteristic mode is a combination of acute intelligence, the limpid expression of difficult concepts and a searing ability to convey the ache of loss and love. In this novel, love for his daughter carries Halland through. Her child's struggles with ideas of time and space lead back into the main drive of the book: time "is what we live in, but that is also what we carry within us. Time is then, but it is also our perpetual now." But for Jane, there is only the "perpetual now of childhood...", children "roll with the planet, wake and sleep; their time is essential *time, before it has become* loaded with significance."

For Halland, the whole of London is loaded with significance: every place, every thing, refers back to previous moments, either public or personal. "The ghost of another topography lingers; the uplands and the streams, the woodland and fords are inscribed still on the London Streetfinder..." Everything, everywhere and everybody is both now and then: a complete web of reference which helps the mind handle the concept of time, and the soul to connect: "nothing", he realises, "matters but other people". And, of course, the problem about Docklands is that it destroys the web: "the profoundly arrogant assumption was being made that you can bulldoze the past, replace it with new constructions and expect the result to be anything other than the semblance of a place."

Mary Hope

Duchamp à la Beckett

"THIS IS not a fictionalized biography of Marcel Duchamp," reads the author's disclaimer to his ninth novel (the eighth, *Contre-Jour*, freely offered itself as a treatment of Pierre Bonnard's life). But he concedes that it could not have been written without the existence of Duchamp's most celebrated work, *The Large Glass*, nor of his commentaries on it known as *The Green Box*, or other amplificatory material such as the essay, *Marcel Duchamp or The Castle of Purity*, by Octavio Paz (who appears in the book in person).

Josipovici has devised a curious, increasingly complex scheme whereby the notebooks of Harsnet, who is and is not Duchamp, are being transcribed, as we read, by the critic Goldberg, who periodically breaks off to scribble his own memoranda or exasperated rejoinders to the artist's verbal abuse of him. The past historic formulation "wrote Harsnet (typed Goldberg)" studs the text, which is a vast single paragraph, 119 pages long, replete with notebook-style underlinings and fore-shortenings.

The only other novel I can think of in a single paragraph (or virtually) is George Andrzeyevski's *The Gates of Paradise* (1962); its 125 small paperback pages are even constituted as a single sentence, except for a second and final sentence-paragraph amounting to five words. Josipovici too has a dramatic last five words, but he doesn't break his flow to emphasise them. He conceals a good deal of artistry in his pretty well successful attempt to secure our attention to such a crabbed, reluctant form, but the reader's concentration is certainly tested; though a short book, it is a slow read.

Comparison might also be made with a Beckett monologue, perhaps the nearly unparagraphed *Unnameable*, whose preoccupation with the pointlessness yet necessity of "going on" with life is paralleled by Josipovici's/Harsnet's

THE BIG GLASS
by Gabriel Josipovici
Carcanet £12.95, 119 pages

relentless, nihilistic (finally hopeful) questioning of the validity of art. The book has plenty of Beckettian cadences and tics; and, if only by virtue of their comic names, the main characters seem a Beckettian pair. Their uneasy relationship recalls that of the poet and interfering editor, John Shade and Charles Kinbote, in Nabokov's *Pale Fire*; and even that of the demoniac composer Leverkühn and sober humanist narrator, Zeitblom, in Mann's *Dr Faustus*. But this kind of critical glossing is parodied by Nabokov, Mann and Josipovici alike.

What Josipovici doesn't have or really seem to want is anything like Beckett's linguistic vitality. Writing is almost suspect to him. He has admitted to a lifelong aversion to adjectives; and *one has to search* hard through his fiction for a sense of that sticky texture of life that a more verbally vigorous novelist, John Updike, for instance (who could stand as Josipovici's opposite pole), regularly renders through his fascinating, breathtaking sentences. Josipovici's writing tends to the terse and dry, the functional and matt. He *is* more interested in narrative than in style, in structure than in content, in making a new literary object than in preening his own talent.

In these respects he is not unlike his protagonist Harsnet, who is contemptuous of the traditional blandishments of art, and whose obsessional purpose is to bring into existence an artifact which is all the more marvellous and truthful for being completely unexpected, lying finally outside the sphere of its creator's will.

Telling with a fair quota of intellectual suspense the story of Harsnet's painful and tragic accomplishment of this purpose, Josipovici, less painfully and tragically, reproduces the achievement in his own fictional terms. For his book itself signifies the advent of the unexpected. One is left with the impression of a strange and satisfying object, which is both an incisive meditation on the imponderables of artistic creation and Josipovici's most boldly original novel to date.

Paul Driver

Adventures of a star gazer

BERNARD LOVELL is a modest man with an amazing number of good stories to tell. In the quarter-century spanned by this book they include his wartime work on radar, which took him into Churchill's Cabinet Room by the age of 28, his curious post-war encounters with spies on his staff, and how he came close to imprisonment for alleged non-payment of a £1m bill.

Only an intrinsically nice person could relate the awful story of how with youthful arrogance he strung along one eminent professor while angling for a post with another. "In later years I could still feel an element of shame at my response..." Fate played for Lovell for he was

ASTRONOMER BY CHANCE
by Bernard Lovell
Macmillan £18.99, 380 pages

obliged to accept the post he did not want, only to have the desired professor come to head his department.

This was P.M.S Blackett, the Nobel laureate who was to have such a huge influence on young Lovell from the moment *he told him*, aged 25, to cancel all plans for astronomy in the Pyrenees and report for work on radar. It was July 1939. By January 1942 Lovell was in charge of the development of H2S ("home sweet home"), the blind bombing radar that was to transform a military situation where, for most of the war, only 10 per cent of RAF sorties even reached the target area. Five months later he lost his key people and prototype radar when a flying test-bed crashed in Wales leaving, as he wrote to his wife, "a great aching sore in our minds which is always there".

The following month American scientists who had examined his ideas for H2S pronounced them "unscientific and unworkable". But the project had Churchill's ear and by November the first Pathfinder squadron was equipped with the system. Lovell was not yet 30 when, on a night when bad weather had forced 40 bombers to turn back, a navigator using H2S reported Hamburg docks as "fingers of bright light sticking out into the darkness of the Elbe." Within a year of its crushing rejection the US was fitting its Flying Fortresses with British-made H2S.

Lovell is best-known, however, for the way he harnessed his wartime experience of radar engineering to the development of the new scientific discipline of radio-astronomy. He weathered a post-war row with Blackett and won his backing for a "home-made" aerial 218 feet across at Jodrell Bank, on land owned by Manchester University in Cheshire. Its success as a research tool – over 40 scientific papers by 1950 – inspired ideas for a more ambitious instrument, and Britain's first foray into what nowadays is known as "big science". It was to bring

The first Jodrell Bank, December 1945

Lovell close to social disaster before the tide turned and he was knighted in 1961.

He related the tale himself in an earlier book. Here he summarises the crises of the five years it took him to build his 500-tonne swivelling dish, a unique engineering structure which survives to this day in its uprated form as a world-class instrument. The worst year was 1957 when the skeletal project was in hock for £250,000 – nearly as much as the £335,000 originally allocated in 1952. "The excitement and pleasure as the telescope moved to completion in those August days of 1957 were over-shadowed by a deep crisis..." The Public Accounts Committee was taking a keen interest.

In its report later that year the PAC accused Husband, the engineering consultants, of having changed the design without consulting Lovell, and Lovell of having been irresponsible with public funds. Lovell believes he was saved by the Soviet launching of Sputnik that year and by a fortuitous misunderstanding on the part of the press that Sputnik and his new telescope were somehow related.

Early in his wartime career in radar Lovell learned an important lesson at the feet of Professor Blackett, to whom he had written a "long and bitter" letter of complaint about people. "One of the great things to remember is that...the qualities of the personnel are part of the experimental facts and it is no use getting too upset about them." It was advice he never forgot, as this most readable book about the folk of science and engineering makes so plain.

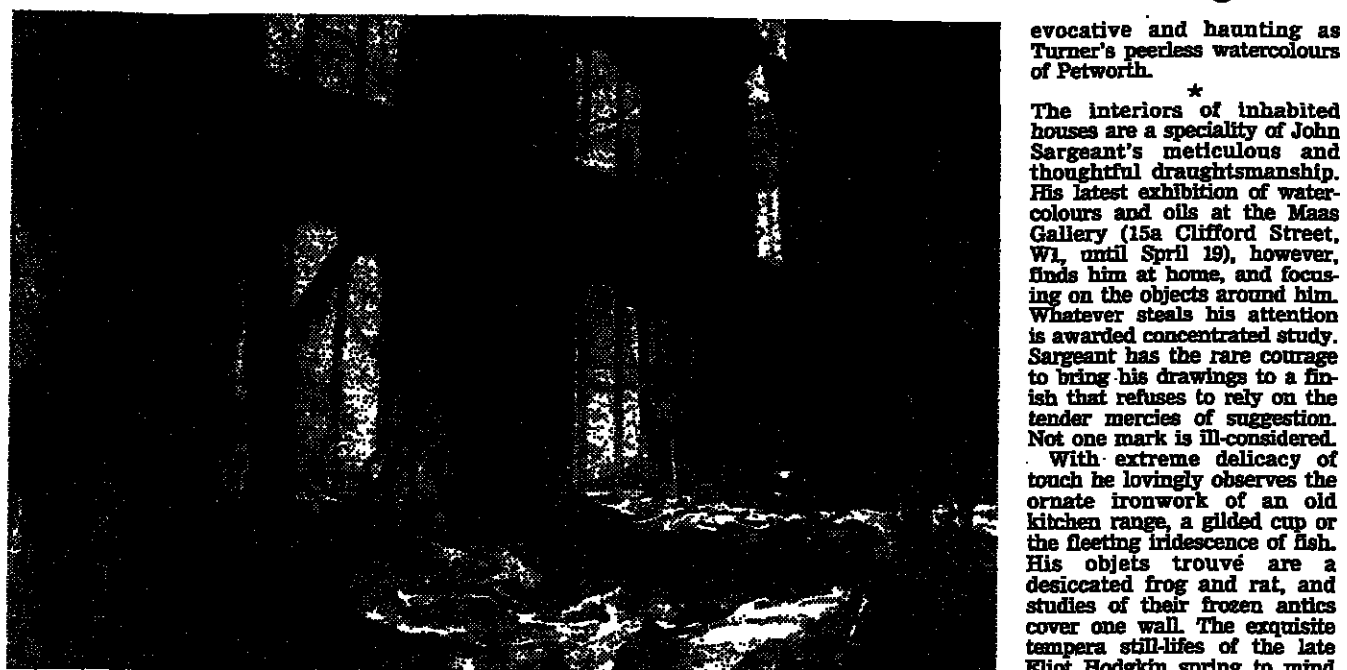
David Fishlock

A romantic response to ruins

***Susan Moore** visits exhibitions in London by Alexander Cresswell and John Sargeant*

ALEXANDER Creswell prefaces his book *The Silent Houses of Britain* (Macdonald Illustrated, £25) with a quote from William Morris's famous diatribe, *Anti-Scrape*. It is an impassioned plea for people to preserve "what they, or more surely still, their sons and son's sons, would one day fervently long for, and which no wealth or energy could ever again buy for them". Morris was moved to found the Society for the Protection of Ancient Buildings later that year, 1877. A century and more on, Britain's country houses are still under threat.

Today's desolate, uninhabited houses that loom in the landscape are not so much white elephants that no one wants to buy but mammoths whose owners do not care to sell. SAVE Britain's Heritage, the most effective contemporary conservation pressure group, has listed in its reports some 300 historic piles that have been more or less abandonned and left to rot. Artist Alexander Creswell has focussed on 45 for his illustrated book, the 90 watercolours and 45 drawings for which are on show at Spink's, King Street, SW1, until April 26.



Ash trees grow in the Great Banqueting Hall of Ruperra Castle: one of Alexander Cresswell's watercolours for his book 'The Silent Houses of Britain' which are now on show at Spinks's, SW1

Somewhat surprisingly, given 18th century antiquarianism and the cult for the Picturesque which prompted countless depictions of ivy clad ruined abbeys, Creswell's romantic response to ruins is uniquely 20th century. John Piper's occasional country house excursions are close in spirit. Unlike idealised Picturesque ruins or Piranesi's architectural capricci, Creswell's atmospheric evocations have poignancy because the neglect and potential loss are for real. Their mood expresses Morris's sense of yearning for the past – it is less melancholic than elegiac.

Ash trees grow tall in the Great Banqueting Hall of Ruperra Castle, its glass-less windows masked by smoke from a nearby bonfire. Dunmore suffers the indignities of hanging rafters, uprooted floor boards and foul graffiti. Masonry has collapsed in Copped Hall's fairytale Palladian cum Jacobean pavilion – here the fire that gutted the house was so fierce that days later the cellars echoed with the popping of exploding wine bottles. At Urie House, stairs have nowhere to go; at Aberpergwm, grand wrought-iron gates lurch drunkenly at their posts; the hall columns at Pell Well stand on a blanket of snow. Caravans camp outside Kirklington. Cow parsley is all pervasive.

Light is Creswell's forte. Its pours into boardless corridors from distant windows, or streaks across a fallen cornice as at Revesby. At Ashmans Hall, it almost seems that the blinding shaft of light is responsible for the gash in the elegant staircase balustrade. Light permeates rooms like the "little airs" of Virginia Woolf.

Creswell's vision is as rose-tinted as his favoured washes. At Piercefield House, however, the rubble resembles smouldering coals; the eyeless facade of High Head Castle at sunset is bathed in blood. At times emotive moods verge on the histrionic, but at his best Creswell's acute sensitivity to the spirit of a place produces images as evocative and haunting as Turner's peerless watercolours of Petworth.

*

The interiors of inhabited houses are a speciality of John Sargeant's meticulous and thoughtful draughtsmanship. His latest exhibition of watercolours and oils at the Maas Gallery (15a Clifford Street, W1, until Spril 19), however, finds him at home, and focusing on the objects around him. Whatever steals his attention is awarded concentrated study. Sargeant has the rare courage to bring his drawings to a finish that refuses to rely on the tender mercies of suggestion. Not one mark is ill-considered.

With extreme delicacy of touch he lovingly observes the ornate ironwork of an old kitchen range, a gilded cup or the fleeting iridescence of fish. His objets trouvé are a desiccated frog and rat, and studies of their frozen antics cover one wall. The exquisite tempera still-lifes of the late Eliot Hodgkin spring to mind again and again, with Sargeant's discarded ballet pumps, half-peeled lemons, leeks or mushrooms. A pair of spectacles rest beside their case, a Box Brownie sits with a pile of photographs, and a group of tin moulds sit demurely on a shelf.

Though first and foremost a draughtsman, John Sargeant reveals himself a skilfull colourist, sustaining large areas of flat, luminous watercolour, or passages of whites that are set against subtle tones of mushroom greys and browns. These drawings are quiet, careful and unassuming – and minor masterpieces.

Drawn to the Paris fair

HANGING WITHIN a few feet of each other in a basement room of the Hotel George V in Paris this weekend are a rare ink drawing by the 16th century Italian sculptor, Baccio Bandinelli, a delightfully accomplished drawing by his 18th century French colleague, Hubert Robert, and any number of Flemish works, many of them mundane. They are all part of the grandly named Premier Salon du Dessin de Collection, the first-ever drawings fair in Europe and the first in the world showing only original drawings to the exclusion of prints. It opened on Wednesday and closes tomorrow night and, even in an art market punch-drunk with the current spate of springtime fairs, it is proving a huge success.

Seventeen Paris dealers clubbed together last autumn to organise the fair, intended to give a further boost to the rapidly developing market in drawings and keep the financial rewards at home. The Salon is aimed at a mainly French clientele outside the closed circle of specialised drawing collectors, and hopes to persuade them a good quality work on paper is a more attractive proposition than a bad and expensive painting. Judging by the number of small red dots being stuck on frames within minutes of the opening on Wednesday, the argument is getting through.

The drawings on show are 16th to 20th century (Marwan Hoss, the only contemporary dealer present, is showing a pair of Zao Wou Ki ink drawings, which are barely dry) with 18th century French works, predominating. Exhibitors include both long-established galleries with international reputations and young dealers for whom drawings over the past few years have provided an affordable and highly profitable stock-in-trade.

Not all drawings are good art, however, and the stands in the Hotel George V proposing works of true aesthetic interest stand out from those whose stock is principally decorative and hardly less expensive. Galerie de la Scala, which has been trading in drawings for nearly 20 years, has a wide-ranging mixture of 17th century Dutch and Flemish, 18th and 19th century French, and a few Italian works at anything from Frs25,000 to Frs250,000. Next door, Bruno de Bayser, a drawings expert of world reputation, who is asking similar prices, sold an elegant female figure by 18th century French artist Jean Restout, a 17th century chalk sketch by Dutchman Abraham Bloemart, and a Fontainebleau School study, literally within minutes of opening. Jacques Fischer and Chantal Kiener spread their nets wide with an eclectic choice of mainly decorative works, including 18th and 19th century architectural drawings, which are increasingly sought after.

Galerie Cailleux, meanwhile, has the best French 18th century works in the fair, divided into panels of water-colours and ink-and-pencil drawings. They include a Hubert Robert drawing of 1772 of figures in a grotto, rendered in pencil with a similar subtlety the artist brings to his most luminous oils, and a pair of Fragonard studies priced at Frs550,000. Dutch dealer Bob Haboldt, who only opened in Paris last autumn, has the best choice of Northern School works in the fair.

Contemporary art, contemporary dealer Marwan Hoss notwithstanding, is strangely thin on the ground, although modern works are well represented. Galerie Hopkins-Thomas is fielding a Pissarro water-colour of cricket players at Hampton Court, a very rare Millet drawing of 1852, and an Aubrey Beardsley sketch of the French actress, Regane. Galerie Bellier is showing Vuillard pencil studies, alongside works by Daumier, Redon, and Marquet. Huguette Beres is presenting both Japanese works and drawings by the French Nabi artists whom they inspired.

For a Paris show, the presentation is oddly spartan. Every dealer has the same surface stand, roughly 45 sq ft, identical cheap non-committal wall fabric and a stipulated number of tables and chairs. They even have to share the potted plants, and thrift involved having champagne but no petit fours on opening night. No one's final outlay should exceed a modest Frs70,000, and those dealers who are jealous about not being invited this year are already hammering on the door to be admitted next. Somewhere bigger than a basement-room in the Hotel George V is going to be necessary.

Nicholas Powell

From cookie jars to Tupperware

*Just about everything seems to be 'collectable' in New York, says **Homan Potterton***

AS $451,000 was paid for a cigarette card at an auction of baseball memorabilia in New York the other day, it is clear that, whatever the state of the art market, the market for "collectables" is not just buoyant, it is flourishing. Ten days or so previously Christie's, New York had a sale of mechanical banks which was also an astonishing success. All 393 lots found buyers – an almost unheard of occurrence nowadays – and the sale almost doubled its estimate.

Mechanical banks are largely a 19th century American speciality. They are metal toys which come in a variety of models but most have an automatic movement that is set in motion by depositing a coin: a man who shoots an animal is a favourite. They are a great deal more ingenious and fun than the piggy-banks most of us were given as children although piggy-banks are of course also "collectable". In fact, just about everything seems to be collectable today although in America certain items – like cookie jars – are more collectable than most and all the more so if they have been made fashionable by really important collectors like Andy Warhol.

As cookies are largely an American treat cookie jars are also peculiarly American. Really collectable ones – such as Warhol had by the dozen – come in the form of a "Black Mammie": a creamware model of a black maid whose voluminous skirts form a jar, the lid of which is her head and torso. These were made by the McCoy Pottery and they can now fetch as much as $1000 or more. They were manufactured for everyday household use as late as the 1950s! In fact, many collectables such as coronation mugs and tea caddies are no older than the 1950s. Basically, any item which one's mother threw out and replaced with something plastic is popular today as a collectable. But there is no rule of thumb: plastic objects – not to mention early Tupperware – are also collectable.

An exhibition currently at the IBM Gallery in New York might at first glance seem to focus on objects that are to all intents and purposes "collectables". There is no Tupperware; but the Exhibition, called *Design 1935-1965 – What Modern Was*, includes plastic chairs, Bakelite lamps, Formica dining tables, plywood coffee tables, melamine coffee pots, stainless steel cutlery, and quantities of crockery. All are from the Musée des Arts Decoratifs in Montreal, a collection established in 1979 with a general focus on 20th century decorative arts and a specific emphasis on design from 1935 to the present.

There is a great deal here that seems fairly commonplace: bentwood chairs, modular office furniture, a metal shelving storage unit, and Anglepoise lamps. But a number of the items were the pioneer designs for the forms which we now accept as the norm: the little-known Swiss designer Hans Coray's much imitated metal stacking armchair of 1938 being a case in point.

The exhibition is about Modernism in design, a concept which originated with the Bauhaus in Germany in the 1920s but which flourished internationally from the 1930s and not least in the US: a number of the leading designers emigrated there following the political upheavals in Europe. The Modernist canon of simplicity of form and cost-efficient industrial production of well-designed objects seemed tailor-made for the Depression economy. The technological advances that were a consequence of war were also significant: the production of a glider nose in moulded plywood (instead of unobtainable metals) to the 1943 design of Charles Eames led that designer to develop the methods for the mass production of his moulded plywood furniture.

Instead of a Picasso or Pollock: flexible plastic bowls with lids by none other than Earl S Tupper, in the MoMa exhibition

Eames, together with his wife Ray (both trained at the influential Cranbrook Academy in Michigan) was perhaps the most significant of the American post-War furniture designers and several of his designs – most of them classics – are featured in the Exhibition. Eames collaborated in the 1940s with Eero Saarinen (also of Cranbrook) in the design of modular furniture: teak-looking desks and drawer units on spindly legs. These designs, which won a prize from the Museum of Modern Art in 1941 and were later much imitated, are just tired enough at this stage to appear hideous, unlike Saarinen's well-known Womb chair of c. 1946 in moulded fibreglass. The popularity of this 20th century classic must owe something to its being so comfortable.

From its foundation in 1929 the Museum of Modern Art in New York has ranked painting, sculpture, architecture and design as equals. Early on it encouraged good design for domestic objects by holding exhibitions, making awards, and fostering partnerships between designers and manufacturers. The superbly researched catalogue of the IBM exhibition (coordinated by the exhibition curators, David A. Hanks and Associates) makes it clear that in all these aspects MoMa was particularly active in the 1940s.

Also in that decade, the Museum sponsored many European refugee artists – Mondrian, Lipchitz, Léger, Naum Gabo, Max Ernst, Chagall and Mies van der Rohe among them – and acquired significant examples of their work. This period in the Museum's history is documented in an exhibition, *Art of the Forties* at MoMa (until April 30). It is organised from the Museum's permanent collection. Works by all of the above artists as well as such a chilling image of the decade as Picasso's "Charnel House" of 1945, are exhibited in a show that also bridges American art from Hopper to the earliest abstracts of Pollock, Motherwell, Rothko, de Kooning, and Barnett Newman. Indeed, one is taken aback to realise that Abstract Expressionism originated so long ago.

MoMa's exhibition also includes landmark design objects from the period. For the collector who will never afford a Jackson Pollock or a Picasso there is the ultimate collectable: a flexible plastic bowl with an air-tight lid that dates from about 1945. And who was the pioneer designer of this beautiful object? Why, Earl S. Tupper of course.

Ealing and after

IN THE Ealing comedy *The Man With The White Suit*, directed by Alexander Mackendrick, laboratory assistant Alec Guinness invents an indestructible cloth. Whatever you do to besmirch or maltreat it, it comes up clean and undamaged.

If only there were film-makers who left us indestructible oeuvres. However much ink the film scholar threw at them, however much interpretation he bombarded them with, they would not shrink nor degenerate, nor would they shine with the false rubbings of hyperbolic advocacy.

Philip Kemp's book *Lethal Innocence* is so good at its best that one wonders why it needs to be so bad at its worst. Its best comes early on. This first critical biography of the Scottish-American director reclaims the suave wit of Mackendrick's Ealing comedies from the dangers of group anonymity. *Whisky Galore!*, *The Man In The White Suit* and *The Ladykillers* all have a heretical gusto quite unlike the tea-cosy quaintness of *Passport To Pimlico* or *The Titfield Thunderbolt*. And Kemp goes on to argue that Mackendrick's Hollywood debut *Sweet Smell Of Success*, that snarling satire on media tyranny, was a logical Americanisation of his British themes. The cat-and-mouse morality romps of Ealing here turn into a dog-eats-dog melodrama: but in both these fiction-worlds pompous authority is toppled by an innocent or amoral outsider.

So far so stimulating. And Mackendrick himself is on hand to scatter astringent anecdotes. But like many good film-makers who fall short of greatness, Mackendrick never found a creative signature strong enough to see him through the semi-dismal projects that crowded up his later career. If the best of his post-1950s films was *A High Wind In Jamaica*, veering towards the visionary through cross-winds of perverse casting and Disneyish scripting, the worst was *Don't Make Waves*, an asinine Tony Curtis comedy that proved Mackendrick's last feature film.

LETHAL INNOCENCE: THE CINEMA OF ALEXANDER MACKENDRICK
by Philip Kemp
Methuen, £17.99, 286 pages

The later chapters of Kemp's book turn into a nightmare of special pleading and parallel cataloguings. All the films Mackendrick almost made but didn't: including *The Devil's Disciple*, *The Guns Of Navarone* and *Mary, Queen Of Scots*. All the production horrors on the films he did make. (What does a director do when Anthony Quinn insists on wearing a funny pirate hat? Or when Edward G. Robinson has a mid-movie heart attack?) And all the Mackendrick qualities that Kemp keeps re-listing for us, as though we might forget them in the swell of Hollywood banality our poor hero had to ride before he quit film-making for film teaching in the late 1970s.

High seas metaphors leap to mind as one reads. The last few pages are especially squally. Like a ship tacking in strong winds as it makes for harbour, Kemp struggles with the for-and-against arguments concerning Mackendrick, balancing defects and delights in his work and beginning nearly every sentence with a tortured adjustment of the wheel: "Even though . . .", "Yet within this . . .", "Nonetheless . . ."

The message for writers of film books is simple. By all means speak up for a favourite director's good films and weatherproof them against neglect. Kemp does so vigorously here. But let the bad films – and even Mackendrick insists he made a few – obsolesce without apology or apologia.

Scandalous becomes Establishment

Alastair Macaulay visits the Théâtre de Champs-Elysées to see four Diaghilev ballets revived

IT IS part of Parisian artistic history that yesterday's avant-garde hangs in today's academies. This is one of the principles on which the Musée d'Orsay is organised; and the same goes in ballet. The scandalous first nights of *L'Après-midi d'un faune* (1912) and *Le Sacre du printemps* (1913), both choreographed for Diaghilev by Nijinsky, are the stuff of legend. At the premiere of *Sacre*, the first-night audience kicked up so much hullabaloo that the dancers couldn't hear the music and Nijinsky had to yell their counts to them; the critics called it *Le Massacre du printemps*. Yet now both *Sacre* and *Faune* are being performed by France's most establishment dance company, the Paris Opéra Ballet.

Nijinsky's *Sacre*, with its Roerich designs, was only performed eight times. The Paris Opéra version is the one that Millicent Hodson (choreography) and Kenneth Archer (designs) laboured so long to reconstruct, and which they first staged for the Joffrey Ballet in the U.S. in 1987. This after-Nijinsky, after-Roerich *Sacre* has now received dozens more performances, and much more acclaim, than the original. It has been televised; in September last year the Joffrey brought it back to the theatre where the 1913 original had its premiere, the Théâtre des Champs-Elysées; the theatre even brought out a handsome 112-page book to celebrate the ballet's importance. Yes, poor reviled *Sacre* has been received back into the fold; and now its acceptance into the repertory of the Paris Opera itself gives that the finishing touch.

The best revelation comes in the Roerich-Archer designs – so vividly suggesting an open primitive place, tribe and atmosphere. And if, like me, you've spent years listening to the great Stravinsky score and trying to work out how it fits to the original scenario, it's a relief to have Hodson do the work for you of putting some choreographic flesh on the ballet's skeleton. But how some of this flesh sags. As you watch, you think "Oh, here's the post-modern bit... Here's the anthropological bit..." The choreographic idioms, especially in Part One ("The Adoration of the Earth"), are too diverse to cohere. In a ballet so often taut and sharp, can Nijinsky really have wanted those milky, slow-motion fights?

The Parisian dancers are altogether better – more weighty – here than the Joffrey. Hodson has improved the Chosen Maiden's dance and made its rhythm tauter; and Françoise Legrée makes it – properly – the ballet's climax. But it still isn't the knockout that the 1913 reviews suggest. And, though detail upon detail of Hodson's choreography seems absolutely just to pictures or accounts of the original, the whole never matches the "biological" ballet, the vision of exploding cells seen through a microscope, that in 1913 Jacques Rivière thrillingly described.

L'Après-midi d'un faune, which the Paris Opera first acquired in 1976, is another matter. The French dancers fit Nijinsky's 2-D bas-relief choreography to Debussy's score more persuasively and in longer phrases than any other company I've seen. They step through the angular positions without jerkiness. I saw two casts. Charles Jude was much the best Faun I've seen in a theatre. He has the plasticity, the control and the quiet innocence. The young and talented Kader Belarbi, however, badly overplayed the role's sexual element, snarling excitedly at the nymphs and moving with a kind of prowling calculation – as if nymph-molesting and veil-fetishism was what the Faun always liked to do of an afternoon.

These two ballets, the most famous works choreographed by Nijinsky, occurred on a quadruple bill with *Les Noces* and *Les Biches*, the two most famous ballets by his sister, Nijinska. The Parisian revivals have been staged by the choreographer's daughter, Irina Nijinska. *Noces*, which the Paris Opéra acquired in 1976, is altogether too lightweight. There isn't the percussive attack, the fiercely focussed force that this choreography and its Stravinsky score need.

Les Biches, Nijinska's acidly ambiguous Riviera ballet (new to the Opéra repertory), was better, but still only half there. Most of the Parisian dancers had the deadpan chic – but of course – that British dancers usually miss. Monique Loudières, surely the best Garconne since Natalia Makarova here in 1975, was marvellously austere and unfathomable. Neither the role of the Hostess nor the corps de ballet of smart young darlings had been coached in the drastically elegant *épaulement* and archings of the torso that should be so memorable. But the male trio of beach boys, those sleekly athletic specimens of dumb virility, was perfect in one cast and almost so in another.

The best ingredient of the programme, however, was not on stage. Michel Tabachnik conducted the Opera orchestra with exceptional precision. *Biches* and *Noces* benefited most of all. Pellucid textures and, above all, firm rhythms. And four wonderful singers leading *Noces* in French (Lidia Mayo, Alexandra Papadjiakou, Alain Gabriel, André Cognet), beautifully pointing the words: French vibrancy with no loss of Russian force. Here was the most Diaghilevian element of the performance.

Nijinski's and Roerich's 'Le Sacre du Printemp', now reconstructed in Paris

Records

Fresh light on Callas

Max Loppert hails these great, live performances

ANY REVIEWER who tries to examine afresh the artistry of Maria Callas ought to bear in mind the warning Mary McCarthy once offered all intending writers on the subject of Venice: everything, she insisted, had already been said. Yet with their recent CD issue of two of the most celebrated "live" Callas performances, EMI now pose us an important challenge; for these are among the most exciting, most potently communicative opera performances ever to be set before the public, and so it falls to the self-respecting critic at least to attempt to explain why.

The Milan *Traviata* and Berlin *Lucia* having long been available on pirate discs, their belated wider circulation is hugely welcome. On each, the recorded sound is as one might expect: thin, variable, and full of coughs, chatter, prompter's contributions, and applause; but whereas the *Lucia* recording seems on its own terms relatively well balanced, the *Traviata* "narrows" dreadfully in places. It will matter to those who want their opera-at-home to create a luxurious wrap-around effect; to those whose highest thrill is connected with vocal and dramatic artistry, it should come to matter very little.

1955 was an *annus mirabilis* for the soprano. In May, after weeks of concentrated preparation, the Scala presented a new *Traviata*, produced by Visconti, conducted by Giulini, with Callas as Violetta. This was controversial: the heroine lit up a cigarette after the guests departed in Act 1, and in general behaved (shock horror!) like a demi-mondaine of the Second Empire. After the first night the tenor Di Stefano, who had become bored with all the rehearsals, left town; it was said he felt excluded from the intense collaboration between Callas and Visconti. (Even so, this first-night souvenir catches him, and the baritone Bastianini, at their impassioned, heart-rending best.) Though the Milan audience was – characteristically – divided over this unprecedented attempt at Verdi stripped of glamorising glosses, the impact of this production was registered for decades afterwards.

Donizetti: Lucia di Lammermoor. Maria Callas, Giuseppe Di Stefano, Rolando Paneria, Nicola Zaccaria etc./La Scala Chorus, RIAS Berlin SO/Herbert von Karajan. EMI CMS 7 63631 2 (two CDs)
Verdi: La traviata. Maria Callas, Giuseppe Di Stefano, Ettore Bastianini etc./La Scala Orch. and Chorus/Carlo Maria Giulini. EMI CMS 7 63628 2 (two CDs)

A few months later Callas and the Scala company (singers and chorus but not orchestra) visited Berlin for two performances of *Lucia di Lammermoor*; Di Stefano was back in harness. This time the conductor was Herbert von Karajan, who had devised his own production. The results stand among the most famous triumphs in the soprano's career: the cheers, the encore of the sextet, the ovations after the Mad Scene and much else are documented in a notice written by Desmond Shawe-Taylor (in the December 1955 number of *Opera* magazine) which itself stands among the most vivid ever written.

Callas, he said, was "an artist to her finger tips: the real royal thing". He followed this with a bold assertion: "I dare say she will never sing any better than she does now". The legacy of Callas records bears out the Shawe-Taylor prophecy: while the soprano may have continued to refine her art right to the end of her life, 1955 can justifiably be reckoned her final year of largely unchequered vocal security.

Even now the beauty of Callas's singing, at its best, is sometimes too little insisted upon; allowances for acid-edged climaxes, wobbles, or what Shawe-Taylor called "cavernous wails" are traditionally made in the name of artistic truthfulness based on purely musical genius. For most of this *Lucia* no ear of faith is required: the voice that spins the *bel canto* lines is radiant, infinitely flexible, at times simply breathtaking in its freedom. Astonishment at the singer's combination of vocal freedom and musical imagination turns to a deeper admiration at those moments where the imagination catches fire.

For those habitual Donizetti – and *Lucia*-decriers, this should provide ear-opening education. Karajan, at his best in the theatre, provided a wonderfully solid frame for the singer's artistry; and while today we may have learnt to want fuller versions of the text (with, for instance, the Mad Scene treated as more than an extended solo cantata) and to require from the male leads – the excitable Di Stefano, the vibrant baritone Panerai – rather more line-shaping and less verismo explosiveness, no other *Lucia* recording (not Callas's two studio efforts, certainly not Sutherland's) blazes with such dramatic passion.

The most creative and inspiring of the 19th-century Italian singers were those who found (in the words of the Bellini authority Friedrich Lippmann) "a style of singing that achieved the proper balance between bel canto and dramatic tension". The Milan *Traviata* shows Callas to be the supreme 20th-century exponent of such a balance. Again, the beauty of the singing is a shock. Curdled high notes in the finale of Act 1 are few; what we retain in memory is a dark, desperate glow of sound and emotions, which in later acts flares and then dies away, guided and directed by the singer's uncanny instinct for elucidating in music the character's states of mind.

The sense that Giulini and Callas are dramatically at one in their music-making lights up passage after passage: this is the *Traviata* of both their lifetimes, never to be repeated or equalled.

Wood's Symphony revived

***Richard Fairman** enjoys an exciting performance by the BBC SO under Andrew Davis*

IN AN ideal world the BBC Symphony Orchestra would be able to celebrate its 60th anniversary by presenting a truly representative selection of the new music to which it has given birth – from Schoenberg and Webern in the 1930s to Saxton and Bainbridge now.

Only a few of those premieres will feature this year, but in its concert at the Royal Festival Hall on Thursday the orchestra looked back at what must rank as one of the most massive of them. In the Proms' season of 1982 no less than four British symphonies were heard for the first time and it was the Symphony of Hugh Wood, first performed by the BBCSO under Rozhdestvensky, that was chosen for revival in the anniversary season.

This is a post-Mahlerian symphony in every outward aspect. The orchestra is huge, with extra brass and percussion, and Wood's language often recalls Berg and Mahler, though one also senses the shadows of composers like Messiaen and Shostakovich passing across the music. At some points this amounts to actual quotations, such as the cellos offering a yearning phrase from *Die Walküre* or the skeletal rattle of a Mozart march on a drum.

It is a symphony that is constantly looking over its shoulder. And yet the piece is so well dramatised, so sure in its timing of incident, that it catches the listener up in its first onslaught of sound and refuses to let go until the final passacaglia has reached its close. An exciting performance under Andrew Davis must have helped; but Wood's Symphony seems to me to wield an impact rather greater than the sum of its contents.

A *romantic concerto* with strong classical roots was probablyan apt choice to fill the first half. The first of Brahms's two piano concertos is a young man's music and thatcannot often have been as evident as it was here in the hands of Stephen Hough. The performance set out at an athletic pace, but *felt irrepressibly youthful in* other ways too, lithe, playful, with a quick velocity in the fingers and an intellect no less sharp.

Whether a concerto which is also as weighty and formidable as this one fully brings out the best in Hough I am less sure. Only a few weeks ago the hall witnessed Barenboim's tempestuous assault on the same piece and after that Hough seemed to graft on the powerful climaxes from outside, rather than letting them grow from within the music. But Davis and the orchestra gave him just the right kind of support, alert and clean.

No doubt they are about to record the concerto to go with their disc of Brahms's Second. And that is part of the good news of the BBCSO's 60th anniversary: the orchestra is being heard regularly on record after far too long an absence.

Radio

Shakespeare meets Cervantes

ANTHONY BURGESS'S *A Meeting at Valladolid* (Radio 3, Wednesday) was commissioned by the European Broadcasting Union and the BBC for European Radio Week. Translated into French, German, Swedish, Spanish, Hebrew, Czech, Hungarian and Italian, it was broadcast simultaneously all over Europe.

The meeting was between Shakespeare and Cervantes, at a conference called in 1606 to negotiate a "perpetual peace treaty" with Spain. The English (now British, since the succession of James I) were not popular and the plays put on by the touring King's Men were a flop. As they opened with *Titus Andronicus*, you can hardly wonder. Then Shakespeare, having seen Don Quixote represented in a bull-ring, and argued with Cervantes about God, the soul, comedy and tragedy, had an idea. He put on a new version of *Hamlet* that included Falstaff's lot and ended with Fortinbras hailing Hamlet as King.

Cervantes did not understand it and thought it too long (it ran seven hours). Shakespeare rode home crossly through France, and incidentally caught syphilis before duly dying ten years later. After the funeral, Don Manuel, a handy Spanish-English mediator, insisted on all Shakespeare's plays being published in one folio volume. The complete works would complete a great trilogy – *Don Quixote*, Shakespeare and the Bible. Laughter off signified universal approval.

No great contribution to literary history, then, but an entertaining puff for the Bard, even if Cervantes comes out of it as well as he, despite his resolutely Spanish dialogue. Lope de Vega turns up as a supporting character, but we hear nothing of his 1500 plays. Robert Glenister played Shakespeare, Miquel Peñaranda played Cervantes, Brett Usher was Don Manuel, and Walter Acosta the director.

How about Cervantes's contribution? Radio 3 displayed it last Sunday, a new adaptation of *Don Quixote* by Nicholas Meyer and Denny Martin Flinn, with Paul Scofield as the Don and Bob Hoskins as Sancho Panza. They did not insert anything new into the story, or transfer it to another time or place – the familiarities were all there, or such as there was time for.

The lines were full of near-quotations from *Shakespeare*, the effect perhaps of the 1606 meeting, though Marlowe crept in as well. Sancho said "Rosinante, avaunt!" when he meant "Come here!" but this might just be his trick of speaking as a squire, not a stable-lad. Cardenio made a fleeting appearance; Shakespeare is said to have written a play about him, now lost, but no one here cared about him and his Lucinda. Good fun on the whole, as Don Quixote often is, and admirably played. Jane Morgan directed.

"One of the few writers with the right to stand next to Shakespeare," says the BBC of Jane Austen. Much as we admire her, though, we don't know much about her. Radio 4 is giving a four-part series, *Remembering Jane Austen*, on Wednesday mornings, but the remembering is done posthumously by her cousin the Rev James Austen-Leigh, who was at her funeral in 1817 and wrote a memoir afterwards. From this and from letters and other sources, Derek Parker presents a pleasant picture of Jane on her home ground – a determined spinster, living with her sister Cassandra in a contented middle-age that the years never really called for, and covertly writing masterpieces in the family parlour. The third and fourth parts come this week and next.

After Jane, I stayed with Radio 4 for *You and Yours*, where they deal with personal affairs. It began with Marian, whose Bangladeshi husband had gone back to Bangladesh. His family decided that his British marriage didn't count, married him to a Bangladeshi and forbade him to go back and rejoin his wife in England. The BBC advise that it is now up to the Diplomatic. All very different from *Sense and Sensibility*.

B.A. Young

Chess No 868
1 e4. If Ke3 2 Bc3 d5 3 exd5, or 1...d5 2 Kf4 dxe4 3 Rd8.

TELEVISION

SATURDAY

BBC1

5.40 Open University. 7.30 Pinocchio. 7.55 Eggs 'N' Baker. 8.35 Bravestarr. 9.00 Going Live! 12.12 Weather.

12.15 Grandstand. Football: FA Cup semi-finals preview. Basketball: Carlsberg Championships. Ice Hockey. Motor Racing: Esso British Touring Car Championships and British Formula Three Championships. Golf: US Masters. Racing: Ascot.
5.05 News And Weather.
5.20 The Flying Doctors. Australian/American relations are strained when Kimberley White returns to the crossing with her son Todd, who quickly alienates everybody with his caustic remarks.
6.05 Jim'll Fix It. Helen Gronow has two special guests at her birthday party, Anita Brealey gets her chance to play the saxophone with The Fairer Sax, and Charlotte Howath takes a trip on a flying carpet.
6.40 Little And Large. Syd and Eddie introduce their guest Cher, with her dancers, but there is something afoot from one of her 'Large' dancers.
7.10 Fast Friends. Les Dawson hosts the game show where two captains select teams from 40 friends and play for a big prize.
7.40 Film: Perry Mason: The Case Of The Lady In The Lake. The legendary lawyer finds himself defending a man accused of murdering his young wife, who disappears after an early morning dip. Starring Raymond Burr and David Hasselhoff.
9.20 News And Sport; Weather.
9.25 Canned Carrott. Comedy with Jasper Carrott as he unravels one of the great mysteries of the twentieth century. Why do men love barbecues?
10.05 Film: Dead Of Winter (1987). An aspiring actress jumps at the offer of a part in a movie. But things are not what they seem. She finds herself increasingly suspicious of her hosts and comes to realise that she has accepted the lead role in her own murder. Starring Mary Steenburgen and Roddy McDowell.
11.45 Film: Don't Be Afraid Of The Dark. Newly-weds Sally and Alex Farnham move into their new house. Deep in the cellar is a deadly, demonic presence.
12.55 Weather.
1.00 Close.

BBC2

8.50 Open University. 2.45

3.20 Animation Now. The Legend of John Henry.
3.30 Film: On Dangerous Ground (1951). Jim Wilson, a lonely, obsessive police detective, achieves results only by the savage handling of suspects. When he is sent to investigate a murder in a small town he meets a blind woman named Mary, a meeting that will change Jim's life. Starring Robert Ryan, Ida Lupino and Ward Bond.
4.50 Film: Rebel Without A Cause (1955). James Dean stars as Jim, the troubled and delinquent youth misunderstood by his parents and society, and heading for tragedy. Also starring Jim Backus, Ann Doran and Natalie Wood.
6.40 Late Again. The best bits of the week's Late Show.
7.25 News And Weather.
7.40 How Wars Begin. The first Modern War. From French Revolution to French Empire.
8.15 The Civil War. Forever Free. Abraham Lincoln decides to set the slaves free. First he needs a victory and the brilliance of Stonewall Jackson and Robert E Lee has the Union armies in retreat.
9.15 Golf: The Us Masters 1991. From the Augusta National Golf Club. Will Nick Faldo's dream of hat-trick of wins still be alive at the end of the day?
11.45 Twin Peaks. As Ben Horne contrives to alter the outcome of the American Civil War, Josie faces battles on two fronts - police suspicion and the attentions of the sinister Thomas Eckhardt.
12.40 Close.

LWT

5.30 ITN Morning News. 6.00 TV Am. 9.25 Ghost Train. 11.30 The ITV Chart Show. 12.30 Saint And Greavsie.

1.00 ITN News; Weather.
1.05 LWT News; Weather.
1.10 Grand Sportsmasters. with Dickie Davies.
1.40 World Sport Special. Sporting action from around the globe.
2.10 The Day.
2.15 Matlock. Ben Matlock joins forces with his daughter Charlene, and Tyler Hudson, a life-long friend and the firm's private investigator.
3.10 Film: The Sea Shall Not Have Them (1954). Survivors of a British bomber plane crash during the Second World War take to a dinghy and await rescue. Starring Dirk Bogarde, Michael Redgrave and Anthony Steel.
4.45 Results Service. with Elton Welsby.
5.00 ITN News; Weather.
5.05 LWT News; Weather.
5.15 The Winjin' Pom. Fleeing from the Crow twins, the Pom and the Aussies take refuge in a breakers yard.
5.45 Macgyver. Silent World.
6.40 Davro. More fast moving comedy and impressions with Bobby Davro as he chairs a lively topical debate in the guise of Sir Robin Day of Sherwood.
7.10 You Bet! Matthew Kelly and Ellis Ward are joined by celebrity guests Geoffrey Durham, Trudi Goodwin and Ian McCaskill.
8.10 Perfect Scoundrels. Buchanan and Cassidy are tricked out of their latest gains.
9.10 ITN News And Sport; Weather.
9.25 LWT Weather.
9.30 Film: Taggart, The Movie: Flesh And Blood. A series of apparently unconnected killings prove to be a baffling case for Jim Taggart and Mike Jardine. Starring Mark McManus and James Macpherson.
11.55 Film: House (1986). A horror writer, suffering from the split of his marriage, son's disappearance, and Vietnam memories, is plagued by demonic fantasies. ITN News Headlines.
1.40 Dirty Dancing. The Concert Tour.
3.30 Adventure; ITN News Headlines.
4.00 The Hit Man And Her. with Pete Waterman and Michaela Strachan.
5.00 The Twilight Zone. Simon Foster is forced to sell off everything he owns, including his memories.

CHANNEL4

6.00 Early Morning. 9.25 Sing And Swing. 9.30 Same Difference. 10.00 Free For All. 10.30 Wagon Train. 11.30 World League Of American Football.

12.30 The Munsters. Believing that the family is desperately short of money, Lily decides to take a job but resolves to keep it a secret to save Herman's pride.
1.00 Race Against The Wind. The journey of six intrepid young people who tackled the wild and dangerous Pacific coast of Canada in three small open catamarans.
2.00 Film: Romeo And Juliet (1936). Norma Shearer and Leslie Howard star in Shakespeare's most famous romantic tragedy.
4.20 The Memphis Belle. Documentary which tells the story of the American Eighth Air Force on their 25th and final bombing raid over Germany.
5.05 Brookside. Omnibus edition. Mick goes to court. Max is convinced that he has made a terrible career mistake. News Summary and Weather
6.30 Right To Reply Special. The censorship season. This special edition of the regular series with presenter Rory McGrath, will examine Channel 4's own record.
7.00 Sound Stuff: The Listening. What governs our emotional reaction to music and why do we like what we like? An exploration into the role of the listener and the effects music has on us.
8.00 The A-Z Of Censorship. A glance at the less obvious aspects of censorship. G is for Germany, Geneva or Glasnost?
8.05 Frontline - The Search For Truth In Wartime. John Pilger traces the changing face of war reporting from Crimea to the Falklands. With a post-script on the Gulf War.
9.05 Thirtysomething. After a hysterectomy, Nancy finds that she is unable to respond to Elliot's advances. However she becomes attracted to a student.
10.00 4-Play: Seduction. Some like it hot, some cold, some over coffee, others after dark.
11.15 Film: The Ear (1968). Powerful indictment of the repressive regime in Czechoslovakia based on the true story of how one of the top Communist functionaries, who died during the Stalinist trials, came to be arrested.
1.00 Close.

REGIONS

S4C AS CHANNEL4 EXCEPT: 10:00 The Garden Club. 10:30 Free For All. 11:00 The Painter's World. 11:30 Citizen 2000. 12:00 Jonathan Ross. 12:30 Sumo. 1:00 World League American Football. 2:00 Film: Romeo And Juliet. 6:30 Newyddion. 6:40 Film: Gaucho. 8:30 Y Maes Chwarae. 9:30 Film: Caravaggio.
IBA Regions as London except:
ANGLIA
1:05 Anglia News And Weather. 1:40 Film: Mccloud: Showdown At The End Of The World. 3:00 Film: Died In The Wool. 5:05 Anglia News And Sport. 5:15 The Winjin' Pom. 5:45 The A-Team. 11:55 Alfred Hitchcock Presents.
BORDER
1:05 Border News. 1:40 The Silk Road. 2:40 Rugby League - Live. 5:05 Border News; Border Birthdays. 5:45 The A-Team. 11:55 Magnum.
CENTRAL
1:05 Central News. 2:10 Out Of Limits. 2:15 The Spectacular World Of Guinness Records. 2:40 Film: The Kid From Brooklyn. 5:05 Central News. 5:45 The A-Team.
CHANNEL
1:05 Diary Dates. 1:40 Motorsport Special. 2:10 The Life And Times Of Grizzly Adams. 3:05 Film: Colour Scheme. 5:05 Channel News. 5:45 The A-Team.
GRAMPIAN
1:05 Grampian Headlines. 1:40 Le Durachd. 1:45 Beatha'n Fhasaich. 2:15 Crann Tara. 2:50 The Life And Times Of Grizzly Adams. 3:50 Coronation Street. 4:45 Scotsport Results. 5:05 Grampian Headlines. 5:10 Criomagan. 5:45 The A-Team. 11:55 Philip Marlowe - Private Eye.
GRANADA
1:05 Granada News. 1:40 The Life And Times Of Grizzly Adams. 2:35 Rugby League - Live. 5:05 Granada News. 5:45 The A-Team. 11:55 Philip Marlowe - Private Eye.
HTV WEST
1:05 HTV News. 1:40 The Young Riders. 2:40 Film: High Tide At Noon. 5:05 HTV News. 5:45 The A-Team. 11:55 Hardball.
HTV WALES AS HTV.
SCOTTISH 1:05 Scotland Today. 1:40 Pick A Number. 2:10 The Wonderful World Of Disney. 3:05 Film: Father Came Too. 4:45 Scotsport Results. 5:10 Scotland Today. 5:45 The A-Team. 11:55 Film: The April Fools.
TSW
1:05 TSW News And Weather. 1:40 The South West Week. 2:10 Return Of The Monster Trucks. 3:10 Film: The Sea Shall Not Have Them. 4:45 Results Service. 5:05 TSW News And Sport. 5:10 Gus Honeybun's Magic Birthdays. 11:55 Matlock.
TVS
1:05 TVS News. 1:40 Motorsport Special. 2:10 The Life And Times Of Grizzly Adams. 3:05 Film: Colour Scheme. 5:05 TVS News. 5:45 The A-Team.
TYNE TEES
1:05 Regional News. 1:40 The Life And Times Of Grizzly Adams. 2:35 Rugby League. 4:45 Results Service. 5:05 Northern Life - Saturday Special. 5:45 The A-Team. 6:40 Davro. 7:10 You Bet! 8:10 Perfect Scoundrels. 11:55 The New Avengers.
YORKSHIRE
1:05 Calendar News And Weather. 1:40 Mccloud. 2:35 The Spectacular World Of Guinness Records. 3:05 Film: Colour Scheme. 5:05 Calendar News. 5:45 The A-Team. 11:55 Soccer Special.

SUNDAY

BBC1

7.35 Open University. 8.55 Playdays. 9.15 Articles Of Faith. 9.30 This Is The Day.

10.00 A Way With Numbers. Carol Vorderman examines ways of getting facts from numbers.
10.25 Bazaar. Stefan Buczacki does some planting which doesn't cost the earth, Claire Rayner discusses retirement plans and home expert Charmian Watkins transforms an entrance hall.
10.50 See Hear! Next Sunday is Census day. Maureen Denmark and Clive Mason investigate what it all means and the implications for the deaf.
11.15 Country File. Every year in this country hundreds of birds of prey are shot, trapped or poisoned. John Craven tries to determine who is responsible.
11.40 Weather For Farmers.
11.45 Match Of The Day: The Road To Wembley. Featuring FA Cup semi-final action from Arsenal v Tottenham Hotspur at Wembley and a preview of the Nottingham Forest v West Ham clash at Villa Park. Presented by Desmond Lynam with analysis from Jimmy Hill.
2.00 Eastenders.
3.00 Match Of The Day: The Road To Wembley.
5.25 Cartoon.
5.55 A Present From The Past. In 1861, Edward Palin travelled to Switzerland where he met a young American girl and fell in love. Michael Palin tells how his great-grandfather's diary was made into a film.
6.25 News And Weather.
6.40 Songs Of Praise. Festival of New Hymns. Pam Rhodes meets the writers and composers of the hymns selected for this festival.
7.15 Butterflies.
7.45 Twenty-Two Years Of The Two Ronnies.
8.30 Tonight At 8.30. Joan Collins stars as 'Piggie' Gilpin, who discovers the pitfalls of becoming too friendly with those one meets on holiday, in this comedy playlet from the pen of Noel Coward.
9.00 News; Weather.
9.15 That's Life!
10.00 Mastermind.
10.30 Everyman.
11.10 Walk The Talk.
11.35 Mahabharat.
12.05 Close.
12.10 Weather.
12.15 Close.

BBC2

6.35 Open University. 12.00 See Hear Special. 12.30 Small World. 1.00 Open University. 1.25 Film: The Black Widow (1954).

3.00 Film: Thousands Cheer (1943). An MGM musical extravaganza which stars Gene Kelly as a US army private who falls for the Colonel's daughter. Kathryn Grayson also stars.
5.00 Rugby Special. Orell do battle against Wasps, hoping to get valued points under their belts in the latest action from the Courage League.
6.00 The Clive James Interview. Shere Hite, author of controversial best selling studies of male and female sexuality talks to Clive James.
6.35 The Money Programme. Rory Cellan-Jones reports on the man who bankers trust to turn round collapsing companies, and his game plan with his biggest challenge so far.
7.15 The Natural World. The story of man and nature in the Hawaiian islands, from mist-laden rainforests to remote coral atolls, with award-winning camera team Paul Atkins and Grace Niska.
8.05 Carmena Burana: Carl Orff's musical tour de force, which speaks of the pleasure of drinking, the beauty of spring and the wonders of love. Featuring the Berlin Philharmonic Orchestra conducted by Seiji Ozawa.
9.10 Golf: The Us Masters 1991. Latest news from Augusta as the Americans look to halt Europe's recent domination of the Masters. Steve Rider introduces live coverage of the final round as Nick Faldo and Ian Woosnam aim to be among the top finishers.
12.05 Rapido.
12.40 Close.

LWT

5.38 ITN Morning News. 6.00 TV Am. 9.25 Film: Disney Family Movie: I-Man - Part One (1986). 10.20 The Littlest Hobo. 10.45 Link. 11.00 (A 1) Morning Worship. 12.00 Visions. 12.30 LWT News Weekend.

1.00 ITN News; Weather.
1.10 Walden. Brian Walden interviews Prime Minister John Major.
2.00 Film: The Exo-Man (1977). An attack on a young physics professor leaves him paralysed until he creates an exo-suit which has a staggering impact on his life. Starring David Ackroyd and Anna Shedeen.
3.30 Film: Superman (1978). Dynamic saga - based on the comic strip - tracing Superman's escape from the exploding planet Krypton to adult life on Earth where his extraordinary powers win him the heart of Lois Lane. Starring Christopher Reeve, Margot Kidder, Gene Hackman and Marlon Brando.
6.00 Bullseye. with Jim Bowen.
6.30 ITN News; Weather.
6.35 LWT News; Weather.
6.40 Appeal. Sir David Attenborough appeals on behalf of The Haemophilia Society, which is able to help both sufferers and their families.
6.45 Highway. Sir Harry pays tribute to the fishermen and their families of Musselburgh and meets Hector Ronald who has run the Fisherman's Mission for the past 28 years.
7.15 Watching. Brenda is home again, causing trouble. Malcolm is wrapped up in the sofa bed.
7.45 The Darling Buds Of May. Charley decides to play truant from the Inland Revenue and go strawberry-picking with Mariette and the rest of the Larkins.
8.45 ITN News; Weather.
8.55 LWT Weather.
9.00 Jeeves And Wooster. New series. Bertie Wooster is instructed by his Aunt Dahlia to appropriate a silver cream jug from Sir Watkyn Bassett, the magistrate who once fined him for stealing a policeman's helmet.
10.00 Spitting Image. New series. More puppet political satire and jokes.
10.30 Film: Eleni (1985).
12.40 The ITV Chart Show.
1.40 New Music.
2.40 Pick Of The Week.
3.10 Indy Cart World. Dandelion; ITN News Headlines.
4.10 Portrait Of America. Michigan.
5.10 Adventure.

CHANNEL4

6.00 Early Morning. 9.25 Mahfil. 10.00 Answering Back. 10.45 Dennis. 11.00 Boom! 11.30 The Lone Ranger.

12.00 The Waltons. The Travelling Man. Rose comes face to face with her past when she bumps into her dancing partner from her past in Baltimore when she was queen of the Blue Room Ballroom.
1.00 Voyage To The Bottom Of The Sea. Cradle of the Deep. Dr Wesley Janus is experimenting with a device capable of accelerating the process of evolution. But trouble occurs when a minute particle is picked up from the sea bed.
2.00 Film: Jumbo (1952). The daughter of the owner of a shaky circus prevents a take-over bid with the help of her father. Starring Doris Day and Jimmy Durante.
4.20 The Cross. Examining the meaning of the cross which has been a symbol of everything from degradation to triumph.
5.20 News Summary And Weather.
5.25 Newman: The Search For A Saint. Exploring the life of Cardinal John Henry Newman at a time when the Catholic Church is debating whether to canonise him.
6.00 Woman's Soccer '91. New series. Hazel Irvine looks back at recent Woman's Football Association competitions and profiles some of the leading players.
6.30 The Wonder Years.
7.00 Fragile Earth. The Florida Everglades are dying. In less than a century this sub-tropical wilderness has been drained of its water and life, and the ever-increasing human population is to blame.
8.00 The A-Z Of Censorship. H is for History, Harrassment, Human Rights or Helsinki?
8.05 Hard News. New series. David Jessel investigates what the British press is getting up to.
8.35 The Liberal Conspiracy. Looking at the theory that broadcasters are guilty of subtle censorship of those with right-wing views.
9.00 The Media Show. In the last of the current series, Emma Freud delves into the murky world of the Mafia, the CIA and political assassinations and discovers a new spate of conspiracy books and films.
9.45 Thirtysomething.
10.45 Film: Scum (1979).
12.25 Section 28 Two Years On.
1.10 Close.

REGIONS

S4C AS CHANNEL4:
9:25 The Adventures Of Tintin. 9:30 Boom! 10:45 Voyage To The Bottom Of The Sea. 11:45 Gazza's Soccer School. 12:55 The Three Stooges. 1:20 O Bedwar Ban. 1:30 Bwrw Miaen. 2:00 Fragile Earth. 3:00 Cutting Edge. 4:00 Film: Springtime In The Rockies. 5:45 Crystal Maze. 6:45 A Magic Wand. 7:05 Newyddion. 7:10 Holl Hwn A Holl Llall. 8:00 Hel Straeon. 8:30 Dechrau Canu, Dechrau Canmol. 9:00 Dihirod Dyfed. 9:45 Ffiniau. 10:05 The Media Show.
IBA regions as London except:
ANGLIA
12:30 Farming Diary. 2:55 Film: Superman. 5:30 Echoes From The Great Hall. 6:00 The Village Show. 6:35 Anglia News And Weather. 10:35 Trouble In Mind. 11:05 Never The Sinner.
CENTRAL
12:30 Gardening Time. 12:55 Central News. 2:00 The Day The Earth Moved. 6:00 The Munsters Today. 6:35 Central News.
GRAMPIAN
10:45 Pick A Number. 11:15 Link. 11:30 Sunday Service. 12:30 Jack Thompson Down Under. 12:55 Grampian Headlines. 2:00 Your Health's Your Wealth. 3:00 Viv On Sunday. 4:00 Katts And Dog. 4:30 Country Matters. 5:00 Scotsport. 6:00 Portrait Of The Wild. 10:30 Prisoner. 11:30 Whatever Happened To Childhood?
GRANADA
12:30 Granada This Week. 2:00 Richmond Hill. 2:55 Cartoons. 3:05 Film: Superman. 5:35 Coronation Street. 10:30 Celebration. 11:30 Prisoner.
HTV WEST AS LONDON EXCEPT:
12:30 Clive's Characters. 12:55 HTV News. 2:00 HTV Newsweek. 2:30 West Country Sports Special. 3:30 Film: Superman. 6:00 Who's The Boss? 6:35 HTV News.
HTV WALES
12:30 Jimmy's. 2:00 Farming Wales. 2:30 Further To My Application.
SCOTTISH
10:45 Glen Michael's Cartoon Cavalcade. 11:15 Link. 11:30 Sunday Service. 12:30 Crann Tara. 12:55 Scotland Today. 2:00 Scottish Supplement. 2:30 Bullseye. 3:00 Viv On Sunday. 4:00 The Life And Times Of Grizzly Adams. 5:00 Scotsport. 6:00 Scottish International. 6:35 Scotland Today And Weather. 10:30 Off The Page. 11:00 Film: Strange And Deadly Occurence.
TSW
12:30 Farming News. 12:55 TSW News And Weather. 2:00 Off The Hook. 2:30 Coronation Street. 3:25 Gus Honeybun's Magic Birthdays. 3:35 Film: Superman. 6:35 TSW News. 10:30 Film: Cahill, Us Marshal.
TVS
12:30 TVS News. 12:33 Agenda. 12:58 TVS Weather. 2:00 Wonderful World Of Disney. 2:55 Film: Superman. 5:25 Cartoon. 5:30 Age Of The Gun. 6:00 River Thames. 6:35 TVS News.
TYNE TEES
12:25 Breakthroughs. 12:55 Regional News. 2:00 The Spectacular World Of Guinness Records. 2:25 The Back Page. 2:55 Film: Superman. 5:35 Coronation Street. 6:35 Regional News. 10:35 Prisoner. 11:35 Making Dances With Wolves.
YORKSHIRE
12:25 Goals On Sunday. 12:50 Calendar News And Weather. 2:00 The Life And Times Of Grizzly Adams. 2:55 Film: Superman. 5:25 Cartoon. 5:30 Candid Camera On Australia. 6:00 Coming Of Age. 6:35 Calendar News. 6:40 Appeal. 6:45 Highway. 10:30 One Night With You. 11:35 Scrumdown.

RADIO

SATURDAY

BBC RADIO 2
6:00 Graham Knight. 7:45 Take 2 L. 8:05 Ronnie Hilton. 9:00 Brian Matthew. 10:00 Eve Pollard. 12:00 Gerald Harper. 1:30 The News Huddlines. 2:00 Jeremy Nicholas. 3:00 Country Greats In Concert. 4:00 The John Dunn Interviews. 4:30 Chris Stuart And Friends. 5:00 Cinema 2. 5:30 Screenplay. 6:00 Encore. 7:00 Pop Score. 7:30 Saturday Gala Night. 9:30 Easy Does It 10:00 The Arts Programme. 12:05 It's A Funny Business. 12:30 Night Ride. 3:00 David Allan.

BBC RADIO 3
6:35 (Fm Only) Open University.
6:55 Weather And News Headlines.
7:00 Morning Concert.
8:30 News.
8:35 BBC Scottish Symphony Orchestra.
9:30 Saturday Review.
12:55 Words.
1:00 News.
1:05 BBC Lunchtime Concert.
2:10 Studio Concert.
3:30 Music For Organ.
4:00 Tuning Up.
5:00 Jazz Record Requests.
5:45 Third Opinion.
6:30 Tosca.
9:35 Issues.
10:00 Nash Ensemble.
11:30 John Lenehan. (Piano).
12:00 News.
12:05 Close.

BBC RADIO 4
6:00 News Briefing.
6:10 The Farming Week.
6:50 Prayer For The Day.
7:00 Today.
9:00 News.
9:05 Sport On 4.
9:30 Breakaway.
10:00 News; Loose Ends.
11:00 News; Talking Politics.
11:30 Europhile.
12:00 Money Box.
12:25 The News Quiz.
12:55 Weather.
1:00 News.
1:10 Any Questions?.
2:00 News; Any Answers?.
2:30 Saturday Playhouse: Still Waters.
4:00 The Living World. April In Orkney.
4:30 Science Now.
5:00 Conversation Piece.
5:25 Week Ending.
5:55 Weather.
6:00 News; Sports Round-Up.
6:25 Citizens.
7:10 Stop The Week.
7:45 Classic Serial: Mill On The Floss.
8:45 Kaleidoscope.
9:15 Music In Mind.
9:50 Ten To Ten.
9:59 Weather.
10:00 News.
10:15 Open Mind.
10:45 Letter From The Levant.
11:00 Richard Baker Compares Notes.
11:30 The World Of Dowle.
12:00 News; Interlude.
12:44 Close.

BBC RADIO 5
6:00 Newsdesk.
6:30 Morning Edition.
9:00 Sport.
9:02 On Your Marks.
12:00 News; Sport On 4 Plus 1.
12:30 Sports Call.
1:30 Sport On 5.
6:00 As Radio 4.
10:00 Sport.
10:15 As Radio 4.
11:00 Sport.
11:15 European Concert.
12:00 News And Sport.
12:15 Close.

WORLD SERVICE
BBC for Europe can be received in Western Europe on Medium Wave 648 kHz (463m) at the following times GMT: 5:30 The World Today. 5:45 News Headlines In English And French. 5:47 British Press Review. 5:52 World Business Report. 5:57 Travel And Weather News. 6:00 Newsdesk. 6:30 Londres Matin: News In French. 6:59 Weather. 7:00 Newsdesk. 7:30 Meridian. 8:00 World News. 8:09 Twenty-four Hours Live; News Summary. 8:30 From The Weeklies. 8:45 On The Record. 9:00 World News. 9:09 Words Of Faith. 9:15 A Jolly Good Show. 10:00 World News. 10:05 Wave Guide. 10:15 Worldbrief. 10:30 Personal View. 10:45 Sports Roundup. 11:00 News Summary. 11:15 Club 648. 11:30 Londres Midi: News In French. 11:45 - Mittagsmagazin: News In German. 12:00 Newsdesk. 12:30 Meridian. 1:00 World News. 1:09 News About Britain. 1:15 Multitrack 3. 1:45 Sports Roundup. 2:00 Newshour. 3:00 News Summary. 3:01 Sportsworld. 4:00 World News. 4:15 BBC English. 4:30 News And Features In German. 4:59 Travel News. 5:00 World And British News. 5:15 BBC English. 5:30 Londres Soir; News And Features In French. 6:14 Letter From America. 6:15 BBC English. 6:29 News Summary. 6:30 Heute Aktuell: News And Sport In German. 7:00 German Features. 7:54 News In German. 8:00 World News. 8:05 Write On.... 8:15 Londres Derniere: News In French. 8:30 Club 648. 8:45 From The Weeklies. 9:00 World News. 9:09 Personal View. 9:25 Words Of Faith. 9:30 Meridian. 10:00 Newshour. 11:00 World News. 11:05 Short Story. 11:29 Jazz For The Asking. 11:50 Sports Roundup. 12:00 World News. 12:05 Words Of Faith. 12:10 Book Choice. 12:15 A Jolly Good Show. 1:00 Newsdesk. 3:30 Tampering With The Past. 4:00 World News. 4:09 News About Britain. 4:15 From Our Own Correspondent. 4:35 Write On.... 4:45 News And Features In German.

SUNDAY

BBC RADIO 2
6:00 Graham Knight. 7:30 Don Maclean. 9:05 Richard Baker. 11:00 Desmond Carrington. 2:00 Benny Green. 3:00 Sounds Easy. 4:00 Marking Time. 4:30 Sing Something Simple. 5:00 Charlie Chester. 7:00 The Musical World Of Gillian Humphreys. 8:30 Sunday Half-Hour. 9:00 Alan Keith. 10:00 The Arts Programme. 12:05 Personal Choice. 1:00 Colin Berry. 3:00 A Little Night Music. 4:00 David Allan.

BBC RADIO 3
6:35 Open University.
6:55 Weather.
7:00 Morning Concert.
8:30 News.
8:35 French Baroque Music.
9:15 Glenn Gould.
10:15 Music Weekly.
11:00 From The Proms 1990.
12:30 American Songs.
12:45 Table Talk.
1:00 News.
1:05 Your Concert Choice.
2:30 Chamber Music.
4:25 Poet Of The Month.
4:35 Unusual Virtuosities.
5:00 Soundings.
6:00 Sunday Sequence.
7:00 Two Venetians.
7:30 Julius Caesar.
9:50 Ian Hamilton.
10:25 Colin Stone - Piano.
11:05 Orlando Consort.
12:00 News.

BBC RADIO 4
6:00 News Briefing; Weather.
6:10 Prelude.
6:30 Morning Has Broken.
6:55 Weather.
7:00 News.
7:10 Sunday Papers.
7:15 The Living World.
7:40 Sunday.
8:50 The Week's Good Cause.
8:55 Weather.
9:00 News.
9:10 Sunday Papers.
9:15 Letter From America.
9:30 Morning Service.
10:15 The Archers.
11:15 News Stand.
11:30 Pick Of The Week.
12:15 Desert Island Discs.
12:55 Weather.
1:00 World This Weekend.
2:00 Gardeners' Questions.
2:30 Sunday Playhouse.
4:00 News; Shock Waves.
4:47 Time For Verse.
5:00 News; Coastline.
5:55 Weather.
6:00 News; Sports Round-Up.
6:15 Feedback.
6:30 Europhile.
7:00 In Business.
7:30 Bookshelf.
8:00 Punters.
8:40 Reading Aloud.
9:00 News; Treasure Islands.
9:15 Natural History.
9:59 Weather.
10:00 News.
10:15 In Their Element.
11:00 The First Time.
11:30 Seeds Of Faith.
12:00 News.
12:28 Weather.

BBC RADIO 5
6:00 Newsdesk.
6:30 Meridian Reports.
7:00 News And 24 Hours.
7:30 Sunday Edition.
9:04 This Family Business.
10:30 Education Matters.
11:00 News And Sport.
11:02 Learn To Earn.
11:30 Invitation To Dinner.
12:00 Football Extra.
2:25 Open University.
2:00 Football Extra.
5:30 Soundprint.
6:00 Sport.
6:10 Bob Hatton Rattle.
6:40 Fanshawe On Five.
7:20 Open University.
10:00 News And Sport.
10:10 Across The Line.
12:00 News And Sport.

WORLD SERVICE
BBC for Europe can be received in Western Europe on Medium Wave 648 kHz (463m) at the following times GMT: 5:30 Short Story. 5:45 News Headlines In English And French. 5:47 British Press Review. 5:52 World Business Revelw. 5:57 Travel And Weather News. 6:00 World News. 6:30 Londres Matin; News In French. 6:59 Weather. 7:00 Newsdesk. 7:30 Jazz For The Asking. 8:00 World News. 8:09 Twenty-four Hours; News Summary. 8:30 From Our Own Correspondent. 8:50 Write On.... 9:00 World News. 9:09 Words Of Faith. 9:15 Music For A While With Richard Baker. 10:00 World News. 10:05 World Business Review. 10:15 Short Story. 10:30 A Taste Of Soul. 10:45 Sports Roundup. 11:00 News Summary. 11:01 Science In Action. 11:30 Londres Midi; News In French. 11:45 Mittagsmagazine; News In German. 11:59 Weather. 12:00 Newsdesk. 12:30 Play Of The Week: A Man For All Seasons. 2:00 Newshour. 3:00 News Summary. 3:01 What Is Democracy?. 3:30 Anything Goes. 4:00 World News. 4:15 BBC English. 4:30 News And Features In German. 4:59 Travel News. 5:00 World And British News. 5:15 BBC English. 5:30 Londres Soir; News And Features In French. 6:14 Club 648. 6:29 News Summary. 6:30 News And Features In German. 8:00 World News. 8:05 World Business Review. 8:15 Londres Derniere; News In French. 8:30 In Praise Of God. 9:00 World News. 9:09 Sports World. 9:25 Words Of Faith. 9:30 Master Brain. 10:00 Newshour. 11:00 World News. 11:05 Music For A While With Richard Baker. 11:50 Sports Roundup. 12:00 World News. 12:05 World Business Review. 12:15 Letter From America. 12:30 What Is Democracy?. 1:00 Newsdesk. 1:30 In Praise Of God. 2:00 News Summary. 2:01 Talking Heads. 2:45 On The Record. 3:00 Newsdesk. 3:30 Composer Of The Month: Edward Elgar. 4:00 World News. 4:09 World News. 4:09 News About Britain. 4:15 Anything Goes. 4:45 News And Press Review In German.

BRIDGE

This hand comes from championship teams-of-four:

N
♠ 10 6 4
♥ A Q 6
♦ J 7 3
♣ K Q 8 2

W
♠ A 9 2
♥ J 8 7 3
♦ 9 8
♣ J 10 7 5

E
♠ K Q J 7
♥ 10 2
♦ K 10 6 5 2
♣ 9 4

S
♠ 8 5 3
♥ K 9 5 4
♦ A Q 4
♣ A 6 3

South was the dealer with neither side vulnerable. In room one South opened with one (weak) no trump, and North's raise to three no trumps concluded the auction.

West led the two of spades. Taking with the knave, East returned the king. West unblocked with his ace, and played back the nine, allowing his partner to make two more tricks. On the last West was forced to discard his eight of diamonds. East without much thought – how could West hold either queen or ace? – switched to the diamond five. South took fright, played his ace, and with clubs and hearts both breaking 4-2, went one down. He was prepared to rely on two 3-3 breaks, both against the odds, instead of the even money finesse.

In the other room North was declarer in the same contract. East led the king of spades. West encouraged with the nine, but when the queen followed, West played his two, a deliberate block. He saw that if a fourth spade was cashed, he would be squeezed in hearts and clubs.

Suppose West unblocks, and four spades are cashed. East returns the 10 of hearts to dummy's queen. The diamond queen is finessed, and the diamond ace forces West to throw a heart or a club. Whichever he throws is fatal. Dummy discards from the other suit, and makes his contract with two diamonds plus three hearts and four clubs or four hearts and three clubs.

Brilliant defence in one room makes up for indifferent dummy play in the other, and averts a vulnerable game swing.

E P C Cotter

CHESS

CHESS EXPERTS usually play a limited number of openings, relying on in-depth knowledge of a few systems. Some prefer to use a wide range with the white pieces but to stick to trusted defences when Black.

An Active Repertoire for Black by Drazen Marovic (Batsford, £10.95) is a good choice if your aim is sound yet aggressive play. Marovic, a Yugoslav grandmaster, suggests the Sicilian 1 e4 c5 2 Nf3 e6 and the King's Indian 1 d4 Nf6 2 c4 g6 3 Nc3 Bg7 as the core, briefly analysing White's less common first moves.

Marovic chooses complete games to illustrate his main lines, and explains how they fit within the theoretical pattern. This week's game is a classic which made the King's Indian fashionable in international chess (Pachman, White; Bronstein, Black; Prague v Moscow 1946).

1 d4 Nf6 2 c4 d6 3 Nc3 e5 4 Nf3 Nbd7 5 g3 g6 6 Bg2 Bg7 7 0-0 0-0 8 b3. The formation e4,h3 and Be3 is now preferred. Re8

9 e4 exd4 10 Nxd4 Nc5 11 Re1 a5 12 Bb2 a4 13 Rc1? The right square is b1, as White later admits. c6

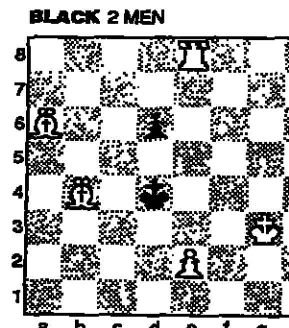
14 Ba1 axb3 15 axb3 Qb6 16 h3 Nfd7 17 Rb1 Nf8 18 Kh2 h5! Black controls an open file, his g7 bishop is menacing, now he undermines the white king.

19 Re2 h4 20 Rd2 Rxa1! 21 Rxa1 Bxd4 22 Rxd4 Nxb3 23 Rxd6 Qxf2! White only reckoned on Nxa1? 24 Nd5. Now if 24 Qxb3 Qg3+ wins the d6 rook.

24 Ra2 Qxg3+ 25 Kh1 Qxc3 26 Ra3. If Rd3 Qc1 wins. Bxh3 27 Rxb3 Bxg2+ 28 Kxg2 Qxc4 29 Rd4 Qe6 30 Rxb7 Ra8 31 Qe2 h3+ 32 Resigns.

CHESS No 868

BLACK 2 MEN



WHITE 5 MEN

White mates in three moves, against any defence (by A N Bhattacharji, 1923).

Solution Page XVIII

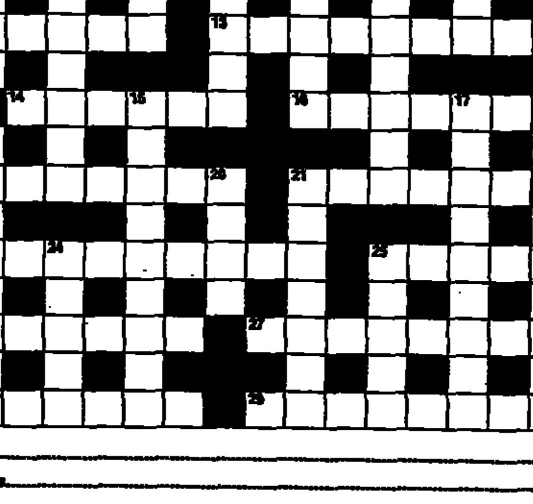
Leonard Barden

JOTTER PAD

CROSSWORD

No. 7,517 Set by DINMUTZ

Prizes of £15 each for the first five correct solutions opened. Solutions to be received by Wednesday April 24, marked Crossword 7,517 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution on Saturday April 27.



Name...

Address...

ACROSS
1 Sheriff's officer giving small present to personnel (8)
5 Look about with new serial? No, it's getting on a bit! (6)
9 Bewilderment when French open a railway (8)
10 Lively male, silver-headed and sparkling (6)
12 Chemical from pulped trees (5)
13 Variety of celandine that lasts ten years (9)
14 Requesting something like a sovereign (6)
16 Sunday-opening lists for racing establishments (7)
19 Feeling of resentment having failed, gone bust (7)
21 Testing hearing (6)
23 Gents, for example, using space behind screen (9)
25 Composer in Harlequins' first-half maul? (5)
26 Number turned out, sustained in bars (6)
27 Versatile player over the whole course? (3-5)
28 Haunt the tourist centre (6)
29 Nutty biscuits (8)

DOWN
1 Brimless hats and twisted necklaces right out! (6)
2 Polished expert (9)
3 Royal house doctor out, doing the rounds (5)
4 Sacked, go back for the andiron (7)
6 Fabulous walker, to finish over a line (9)
7 Old English chariot race? (5)
8 English S. Holmes mystery is abandoned (9)
11 Book of deeds (4)
15 Dean, for example, finds EEC at risk, breaking up (3-6)
17 Pine cabin in which many natives live (9)
18 Teacher of 3 perhaps, holding ace (8)
20 Japanese play staged when Englishmen go out? (4)
21 Acrobat on a bar? (7)
22 Trucks in traffic south (6)
24 All the birds of a region – Cornish interior (5)
25 Parts of early Rice libretto (5)

Solution to Puzzle No.7,516

STRIDENT SPIRIT
C E E U O E A
ROSEMARY CLOVEN
I I O S S I E D
POTENTIAL TORSO
T E N A B E O
KING MOURNER
S J N R T I
TAUNTON DHOW
A M E I O M N
LEPER COWARDICE
W E L K A O D W
ADDSUP IGNORANT
R U D E S I O
TOPPER BRETHREN

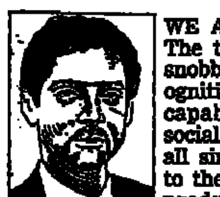
Solution and winners of Puzzle No.7,506

GALAXY QUINSY
I O E R E A
OVERARM BALANCE
E I O S L R H
FRIENDLESS EATS
N E E S S
WATER MARITIME
H M I E A
DISTRAIN COVEN
T O G O I
KEEL ZOLLVEREIN
W L O Y E T L
JAWBONE PROUDIE
S A E E A A
HARASS ADDLED

M.V. Cassar, Sta Lucia, Malta; Miss P.S. Everett, Plymouth; Margaret Maddock, Cambridge; H.J. Preddy, London W6; Jean Ritson, Lewes, East Sussex.

Farewell Coutts, I'm off to the Co-op

***Dominic Lawson** renounces financial snobbery and his gold-embossed leather cheque book holder*



WE ARE all snobs. The term "inverted snobbery" is a recognition of the inescapability of this social sin. And like all sins, it is a key to the marketing of products. A fortnight ago I described how newspapers exploit the (less insidious) sin of lust. But snobbery sells products just as well as sex, and nobody knows this better than the financial service companies.

I suppose the most famous example is the old American Express campaign, which told us that to have an American Express card said more about us than cash ever could. Nowadays, of course, in the credit squeeze, cash down tells a retailer more about you than an American Express card ever could.

But Amex had judged the snobbishness of the consumer of financial services to perfection. I never fell for that particular appeal to my vanity. Yet a few years ago I did something even more vain. I decided to bank with Coutts. Every now and then one reads features in the personal finance pages about "top people's banks," with all the usual cast of characters – Coutts, Childe & Co, Hoare, Rothschild, Swiss Bank – and all competing to seem the most reluctant to take on any more accounts, owing to the uniquely high standard of their existing clientele.

I fell for Coutts because the entry requirements in terms of salary and net worth were both higher than mine. I was swept off my feet by a tail-coated assistant manager, who was inclined to invite me to lunch – rather the reverse of the usual customer-manager relationship.

Unfortunately, one had to keep £2,000 in one's current account to avoid bank charges – at a time when the main clearers were starting to pay interest on current accounts, but what did that matter, when one got a "free" leather cheque book holder with AD1692 embossed in gold on the cover?

However, the days have gone when a fawning shopkeeper would accept a Coutts cheque without endorsement by cheque card and presenting a Coutts gold card in the sticks, rather than causing the sighs of admiration one hoped for, merely provokes suspicious glances and remarks such as: "Are you sure this is a Mastercard? It looks foreign to me, mate."

Naturally, the odd mistake would still happen with one's account, as all banks make mistakes. Coutts was very polite about it, though and apologised charmingly. As one fellow customer put it to me: "Coutts makes all the same mistakes as other banks, but makes them so much more nicely."

Unfortunately, my nice assistant manager got promoted out of my league, and his replacement never once invited me to lunch. And my sister told me I was a vulgar twerp for carrying my cheque book in a purple and gold leather folder, like some *nouveau riche*.

And then a few weeks ago I received a letter from the assistant manager I had never met, telling me that, in order to fund the bank's new more attentive personal service, they would have to insist that at least £3,000 was lodged in the – now almost unique – non-interest-bearing current account, to avoid charges (themselves greatly increased).

The letter was a copy, and undated, which shows either that the bank does need the extra cash, or else that they have a damn cheek. Then something even more awful occurred to me. Perhaps there *had* been a great increase in "personal service" but that it was all being lavished on the seriously wealthy customers – the Michael Thompson-Nöels of this world – rather than small fish like me; in other words, that I was subsidising the rich.

My mood swung from outraged rentier to blood-seeking bolshevik. I wrote to the bank and complained that the £1,000 increase in the minimum deposit was effectively a one-third increase in the cost to me of the account.

The bank in its reply was characteristically too nice to point out that the increase in the minimum deposit was 50 per cent, not a third, and that anyone who did not know that £3,000 was half as much again as £2,000 was ripe for fleecing anyway.

Since then I have heard from three of the four people I know to bank at Coutts, and they all wish – in the immortal phrase – to take their custom elsewhere: somewhere, in the words of one of the Coutts refuseniks, "less greedy." I think I'll try the Co-Op. I feel like looking down on the foolish rich.

Home from home in Birmingham

Andrew Clements interviews Simon Rattle about making music in Britain's second city

IT WAS, Simon Rattle said, peculiar to think that he was about to give his last concert in Birmingham Town Hall. When he next conducted the City of Birmingham Symphony Orchestra it would be at the inaugural concert of the new Symphony Hall which forms part of Birmingham's international convention centre, and a new chapter in their partnership would have begun.

Rattle's transformation of the CBSO has been the highlight of British orchestral life over the last decade. When he became principal conductor in 1979, at the age of 24, it was a competent provincial orchestra, no more; now its international stature is undisputed, and it consistently outshines its traditionally more glamorous London rivals. A new home for the orchestra has been on Rattle's agenda ever since he was appointed.

"Three days after the announcement of my position I had a letter from Sir Adrian Boult telling me that I was the second person from Liverpool to have held the post. He had been the first, and in the 1920s he'd been promised a new concert hall. Now the most important thing I could do for Birmingham and for the orchestra would be to get them out of the town hall and into a place designed for making music.

"Within two or three years I realised for myself just how much the orchestra needed a new home, and it happened to coincide with the time the city was picking itself off the bottom. The tide was really turning. There was an awareness that something needed to be done, and the city council had realised that the rise of orchestra was something they could latch on to and use

'Of course working in the Symphony Hall is going to make the orchestra better'

positively to refurbish the image of Birmingham.

"But it was the then chief executive of the council, Tom Caulcott, a really brilliant man, very difficult but very visionary, who got the project going. It was 95 per cent his doing that symphony hall is here at all.

"He appreciated that the only way to get a great concert hall was to make it part of a huge convention centre that would attract national and European funding. And what nobody knows to this day, I'm delighted to say, is what proportion of that funding has gone into the convention centre and what went on the concert hall.

"What I was able to do was argue until I was blue in the face that we should hire the acoustician first, over the head of the architect, so the hall could be designed entirely from the acoustician's point of view. So often the architect is put in charge, advised by the acousticians,and then chooses what part of that advice to take."

With the concert hall designer Russ Johnson very much in charge of the project, an ideal design emerged.

"We asked ourselves which were the halls in the world that as musicians we found gave us the most imagination to play, just as a great violin will change the way in which a soloists plays: those were Symphony Hall in Boston, the Amsterdam Concertgebouw, the Musikverein in Vienna.

"We were after a place in which every part of the auditorium would have a wonderful sound, and ended up with the old-fashioned shoe-box shape."

What sets Symphony Hall apart from all other British concert halls is that it has been created specifically as a home for one orchestra, rather than as a multi-purpose venue.

"Of course working there is going to make the orchestra better," says Rattle. "It has already. Unusually for England it's a hall that allows an orchestra to play properly, without having to squeeze the sound out as you do in (London's) Festival Hall, for instance. But we've hardly started to explore its possibilities.

"It's like a new beginning. Now that we have a proper instrument to work with, within a couple of years I think you'll find that the sound of the orchestra is very much changed. We'll learn more and more. In my second year here we played a concert in the Concertgebouw – just one concert and a three-hour rehearsal – and the memory of playing there lasted with the orchestra . . . to the point where I was able to say to the strings: 'Let's try and find the sound we got in the Concertgebouw.'

"We found that we could counterfeit it. An orchestra learns how to make a beautiful sound and won't be satisfied with anything else. It's like playing the piano: a piano cannot sustain a note, but a great pianist can create the illusion of making it sing.

"The CBSO has a mania about clarity and about dynamics,something I can hardly get with any other orchestra. One of the things that attracted me to them in the first place was that they were willing to play quietly, and they expected to. I do believe that orchestras have some kind of personality of their own which has nothing to do with the individual members.

"The CBSO is never going to be an orchestra of great crushing weight, just as the Philadelphia Orchestra is never going to be an orchestra of pinpoint delicacy.

"Whatever we do, however beautiful, it will remain a lean sound, but I think it still has a wider range than the orchestras in London who basically stay in their own *fach:* you go to one of them if you want to play French music, to another for the Viennese classics, and so on. To conduct the London Philharmonic and the Philharmonia on the same day, as I did once, was like doing two different jobs."

One wonders, though, where Rattle himself goes from here. Suggest that he might begin to conduct more opera, for which he has already shown remarkable gifts, and the response is immediate.

"That would be like being given a Stradivarius, and deciding to play the clarinet." Though he has conducted at Glyndebourne for 15 years, he works there uneasily. "I'm still not at home with something quite that élitist. It's a Mephistophelean pact – you go there to get the rehearsal time and conditions, even though it has the worst acoustic of any theatre in the world, it has no acoustic at all.

Clearly the prospect of spending most of his working life in an opera house is not one that appeals to Rattle at present.

"One of the problems is that I have enormous blind spots in the Italian repertoire. I've grown with very specific areas of opera, and probably I would end up with a repertoire of only Mozart and Janáček. And I can't cope with singers who won't rehearse.

"Obviously I have a dream of an opera house where everybody could work together towards theatrical ends, and the temperaments were all involved with performance. What I'm after, I suppose, is English National Opera in hyperspace – an awful lot of what they've done at the Coliseum (in London) is absolutely right.

"It's hard for me, it will have to take time. At the moment I'm happy working away at Mozart and mining these operas – there's very little more you can ask from any experience – and very quietly, very slowly getting to know Wagner. But there's a lot of time ahead. I'm only 36, and I think there's still a lot to do with the symphony orchestra. What is a symphony orchestra going to *be* at the end of the millennium, how is it going to work, what is it going to be playing and how is it going to be playing it?"

'Tunnel vision is no use. Audiences are moving faster than many orchestral musicians'

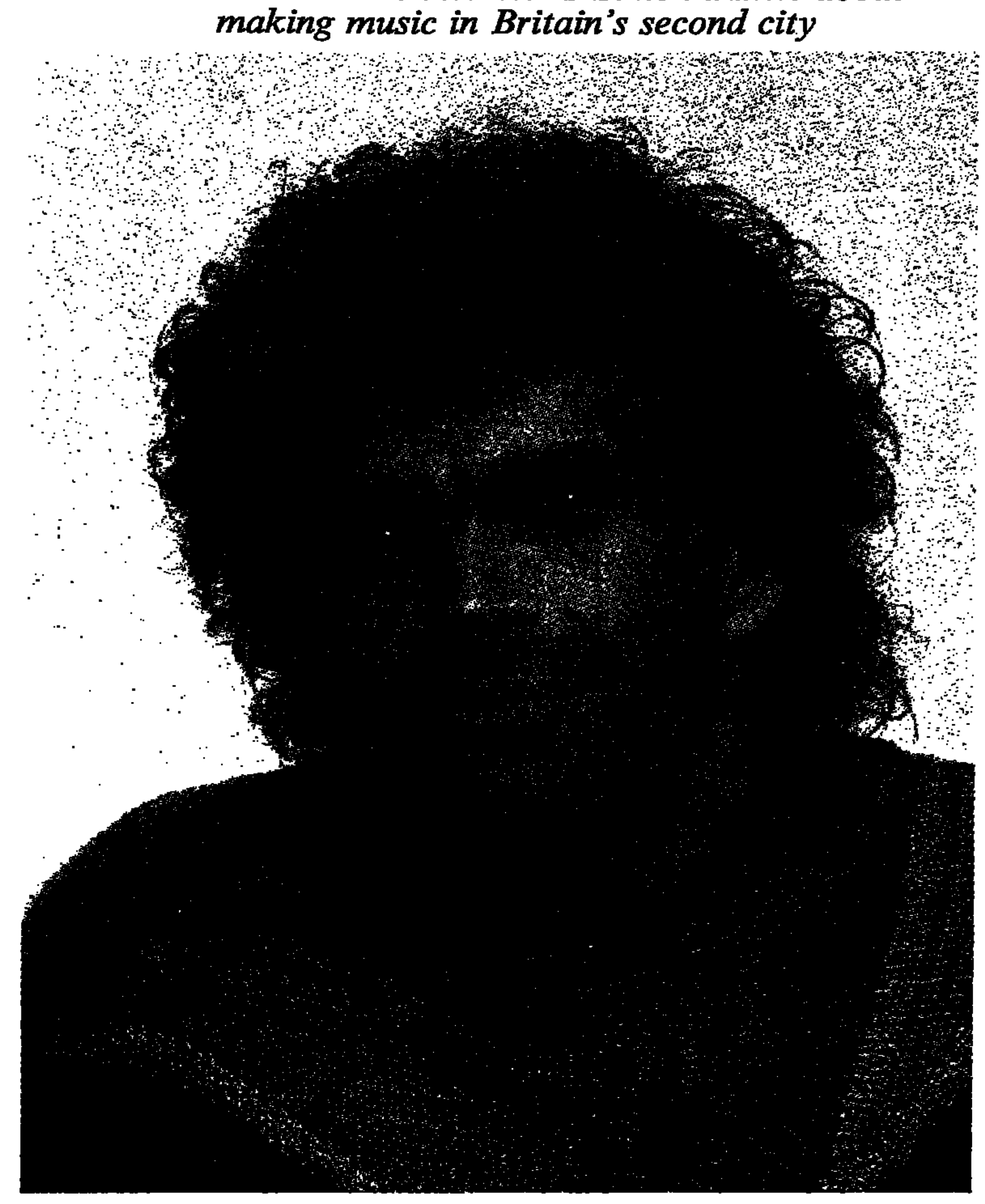
Rattle's current ambitions seem closely linked to the future development of his orchestra.

"It's no use continuing with tunnel vision. The orchestra won't be just a body that gives weekly concerts of overtures,concertos and symphonies . . . it won't do – the smart orchestras are beginning to take on board the fact that we have to learn the techniques of original-instrument playing, because already audiences won't accept anything else, audiences are moving faster than many orchestral musicians.

"Already we have the Birmingham Contemporary Music Group and the Birmingham Ensemble,and perhaps we'll add an early music group, so that there will be a community of musicians that somehow will get involved in education and provide a bigger service for the community.

"Boulez is coming to work here, because he likes what we're doing here. That's something I'm thrilled about. The orchestra needs to see more of that class of conductor. Most conductors – and particularly managements – haven't cottoned on to the fact that they might get better results here than they would in London.

"Birmingham just doesn't have a place in their thinking. It takes a maverick like Boulez to recognise that what we're doing is right. I find it very frustrating because I feel sure that a lot of these people would enjoy themselves here and get an enormous musical reward,and find things that they might not find elsewhere. But then that's yet another step to take. We've just got to keep the orchestra bombarded with ideas."



Simon Rattle: taking the Birmingham Symphony Orchestra to a new home

Don't watch my lips

Michael Thompson-Noel

HAWKS & HANDSAWS

BRITISH television is not just the best in the world but the best by a long chalk, or so I would wager – my reputation for sound and brave wagering having been compromised but not poisoned irredeemably by my weird and fateful tips last Saturday for the Aintree Grand National, tips which cost at least one *FT* colleague, the innocent Paul Abrahams, a bereaving fraction of his not-large but neither-to-be-sneezed-at remuneration for an honest and constructive week's toil in the vineyards of Southwark.

Proof that British television is the best in the world was vouchsafed to me in the ozone-depleted, listeria-stricken summer of 1989 when I was hauled off the substitutes' bench and instructed by this newspaper to act as stand-in TV critic for a month, the regular TV critic, Christopher Dunkley, having disappeared across the turquoise and aluminium-hued horizon in a sloop or ketch or yawl at the start of what hearties like him are pleased to call a sailing holiday.

For a month, I enjoyed myself. I was rude about *Channel 4 News* ("Tedious and convoluted"). Rude about Angela Rippon ("Bulging and formidable"). Rude about Rupert Murdoch (not much of a coup, I grant you). Rude about Gore Vidal ("Embarrassing"). And rude, in the same paragraph, about Noel Edmunds and Bob Monkhouse – equivalent, in retrospect, to firing a Cruise missile to kill two flies.

Overwhelmingly, however, what I did was strew rose petals over all the writers, performers and programme-makers whose offerings made the screens in our living rooms glow with opalescence in the summer of '89.

Nor have standards slipped, as a glance at this week's start to Channel 4's magnificent three-week season of programmes about secrecy and censorship reveals. What Channel 4 is confirming, as if we didn't know, is the stifling weight of secrecy and censorship that blankets life in Britain.

On Wednesday I was on the sharp end of all this when receiving a telephone call from Kenneth Baker. I am fond of the home secretary – have never called him brilliantined or said that he was unctuous or described him as olivaceous or wondered out loud how long he will *be* home secretary before gliding into yet another job, as though on jewelled castors.

"Afternoon, Mr Baker," I said.

"*Kenn*eth, Mr Thompson-Noel, and I shall call you Michael."

What he wished to talk about, he said, was the government's plan to introduce sweeping curbs on all newspaper columnists in the run-up to the general election.

"Especially those," said Kenneth, "of a humorous or satirical bent, the funnies, you might say, given the prime minister's new-sprung conviction that a free and fair election would be hindered, harmed and hampered by satire or irreverence."

"What do you mean?" I asked.

"What we are going to do," said the home secretary, "is introduce a bill in parliament before the summer hols empowering my officials to vet, scan and edit all humorous columns, even the relatively leaden ones, so as to expunge from the campaign all distressing references to the community charge, inflation, education, health, pensions, inner-city squalor, people in cardboard boxes, people living in trees, transport policy, the future of London Zoo, ditto Northern Ireland, blunders by British Rail, blunders by British Gas, house prices, judges, the future of Tottenham Hotspur, conditions in UK prisons, Margaret Thatcher's future, Nigel Lawson's future, or any other unpleasantness.

"In particular," said Kenneth, "my officials will be taking a bit of a tough line with all quotes from government ministers. For example, on March 9, Michael, you quoted the prime minister in respect of the budget. The first sentence was all right: 'Thankyou very much for asking me my opinion.' But the rest of the quotation would be banned under the new Act, so that the paragraph would have to read:

"'Thankyou very much for asking me my opinion. ---- ---- -- ---------- ------------------- ---- -- --------- -- ---- ------- - - - - - - - - - - ----- --- --.'"

I said: "It wasn't a real quotation. I believe I made it up."

"Of course you did," said Kenneth. "Or it wouldn't have been much of a quote. But the gagging measures incorporated in the new Act will only be in force until just after the election."

"And when will that be held?"

"October 2020."

* * *

WHICH BRINGS me to the Grand National. Last Saturday I reported a conversation with Wayne Talent in which I said that the best way to tackle the big race was to bet £3,000 each way on Bonanza Boy, £2,000 each way Docklands Express, £2,000 to win Rinus and £1,000 to win Mr Frisk.

Wayne is the younger brother of Martin Amis's *London Fields* character, Keith Talent, and a close friend of mine. If he had made those bets he would have lost the entire £13,000. But he didn't, because by Saturday morning I had changed my mind completely, as I explained when Wayne rang from his Jaguar *en route* to the racecourse.

"Forget what I said yesterday," I told him. "The going has changed. What you must do is bet like this: £3,000 each way Seagram, £1,500 each way Docklands Express, £1,000 each way Auntie Dot and £1,000 win Bonanza Boy."

Seagram won at 12-1. Auntie Dot was third at 50-1. Wayne's profit totalled £52,500. I myself did well.

On Sunday he rang again. "Cheers, Mike," he said. "Absolutely brilliant. A staggering piece of tipping. Nothing flummoxes you, Mike. Wasn't born yesterday. But what about your readers? Reckon they got caught? Your first tips were useless – the ones that got in the paper. You'll have to brazen it out. Water off a duck, Mike. Water off a duck."

Despatches/**John Brennan**

Nightmare of a man repossessed

HE IS wearing a dinner jacket, dishevelled tee-shirt, dark grey sagging trousers and an improbably white pair of Nike baseball boots. It is a Robert Maxwell-scale dinner jacket, circa-1965, and it hangs off him as though it is embarrassed to have ended its days on such unstylish shoulders. It is a sartorial absurdity that passes without comment in an absurd setting.

His wife is not in the court, a small magistrates' court in north-west London, although really it could be anywhere. She is on tranquillisers. He is not bitter about the situation. He simply doesn't understand a word of what is going on, and so he waits to be told when the bailiffs will come.

He bought his council house four and a half year ago, so he can claim to be part of the British property-owning democracy promised in the 1979 general election. The "Right to Buy" provisions of the 1980 Housing Act have taken 1¼m council houses and flats into the private sector in the past decade. After all the various discounts, he bought his inner London maisonette for a third more than the £22,000 national average price for council house purchases in Britain.

He probably would not have had an opinion if he had been among those polled recently by the British Market Research Bureau when its surveys showed that 40 per cent of all council tenants wanted to purchase their homes. It just happened. Everyone else was doing it, the papers were prepared, the loan had been lined up, and so he signed. He was pleased to sign.

He does not read the kind of papers that carried reports of Lord Elton's presidential address to the Building Conservation Trust last year. Even if he had, it is unlikely that the former environment minister's warnings to mortgage lenders that they have a moral obligation, as well as a strong commercial incentive, to teach borrowers the value of maintaining their properties would have registered with him. Talking about the work that he had put into the house suggests that he was no mean hand with the electric drill and paint brush. Lord Elton would have been impressed.

Neither did he hear any of the warnings about the need for council tenant buyers to get an independent structural survey. But then it is, as he says, a solid house built to last. No high-alumina cement in that construction; no inefficient damp courses; no asbestos padding to be stripped out or doubtful window frames double-glazed to rot with condensation. A *solid* house, built to last. But without him and his family.

The housing market crash of the last couple of years more or less passed him by. He hadn't planned on moving. He had borrowed a bit of cash to do up the home, get some things for the kids, who were of an age to leave anyway. He assumed he had got a fair deal and he wasn't complaining.

There is no high-handed central mortgage lender to blame either. The council had organised a choice of loans and he and his neighbours had signed up with the nearest building society branch. He was at pains to say that they had always been very nice. Incomprehensible, but very nice.

His wife used to take the mortgage payments to the building society branch every month, just as she had taken the rent into the council offices every month on the same day, year in year out. That is, until they could no longer afford to.

'The building society had been very nice. Incomprehensible, but very nice'

When he lost his "job", which was a vague title at the best of times – he had put "jobbing builder" on the loan forms because that was what the neighbours suggested that he should do – he had filled in around the sites, done a bit of barrel moving and general help at the local pub, some odd work here and there.

Even if he had known of the existence of mortgage protection and redundancy insurance he would probably not have qualified. In any event, he had other payments to keep up. Those improvements that a good home owner should make – the fittings fit for a member of the property-owning classes, the goods to buy time at home from the children – they all came easily on easy credit.

Too much, too easily as it turned out. Those creditors were much more pressing than the building society, and the credit and store card repayments were much harder pressed for.

When he finally did sign on at the local social security the people there had given him the forms to fill in to cover the mortgage payments and had arranged that he see a debt counsellor. But there had been some mistakes, and he had not gone back to them until the building society had written to him a few times. Yes, he could have got the mortgage payments met. But it had got very complicated, and then there were all the other payments . . .

The building society, to its credit, actually sent someone from the branch around to his house when it knew that the paperwork had moved to a repossession order stage.

His wife had been in and they had talked. After that there had been a few arguments at home. In the end they had all decided that "what would be would be".

That old song has much to answer for as rationalisation for a philosophy of despair. He and the wife were moving out of London now, so they had really just wanted to hand back the keys. He just felt that he *ought* to come to the court. He thought that he would have to hand the keys in there and so he had brought them along, just in case.

In the end he didn't say a word. The repossession order was one of a dozen or more nodded through on the presentation of a lawyer trying hard to keep the files in the right order. Before the due date he and the wife will be back up to Durham – he has family there. The wife has been packed for weeks. The kids have a life of their own now. They'll be fine.

He is still talking outside when the court adjourns, still trying to be helpful. The embarrassed lawyer hesitates, makes a detour and comes over. She tries to say that the building society will almost certainly write off the outstanding debt – it is modest, and the resale will almost certainly cover all costs. She tries to tell him that he shouldn't be concerned.

He wasn't. It's obvious that he had not realised that a loan could live on even after the house had gone. Then she notices the dinner jacket, realises what she is saying, stops, smiles again and hurries off.

Someone had brought that jacket into the pub when he'd been working there. He had thought it would be right for the court – it was, you know, *respectful*. It was.